



To be the trusted financial services provider of the Diocese of Grafton,
enabling ministry growth.

Agenda
Thursday 27th July 2017 9.00 am
Level 1 50 Victoria St Grafton

1. Opening Prayer

- 2. Attendees:** David Ford
Chris Nelson
Terry Hunt
Phil Crandon
John Adlington
Ted Clarke (tentative pending jury duty outcome 26/7/17)
Blaine Fitzgerald

Apologies: Bishop Sarah
Gary Boyd

3. Call for additional Agenda items and close of Agenda –

4. Confirmation of

- a) **Minutes - 20th April 17 & 11th May 17** (previously circulated 23/5/17)
- b) **Flying Minute Grafton Cathedral 2/6/17** (did not proceed)

5. Conflict of Interest Declarations - Standing Register of interests at present

- Bishop Sarah Macneil - various Diocesan Board representations
- Chris Nelson - various Diocesan Board representations
- Anglicare North Coast - Blaine Fitzgerald
- David Ford - Bishop Druitt College (BDC)
- Ted Clarke – Clarence Valley Anglican School (CVAS)

6. Correspondence In & Out

In: i. Nil
Out: i. Nil

7. Matters for Decision/Discussion:

a) APRA/ASIC update and next steps – linked to item 7.b)

Refer below.

Consistent with key result area 5. Governance Compliance and Risk Management

b) AFS Licence update - (Australian Financial Services licence)

Refer to Business papers for emails and commentary ASIC, Matt Fletcher - Melbourne Securities Corporation and Ron Perry - Armidale Diocese.

Consistent with key result area 5. Governance Compliance and Risk Management.

c) R19/17: Renewable Energy

“That the Corporate Trustees, AFGD and the Buildings and Property Committee of the Anglican Diocese of Grafton explore investing in renewable energy through the Parishes. This Synod commends a method of doing this would be: at the request of a Parish, providing low interest loans to install Solar or Wind Power, with battery storage, for Rectories.”

Refer to discussion paper for renewable energy green loans.

Consistent with key result area 2 - Marketing & Business Development.

d) St Columba Anglican School - Half yearly review for approval

Consistent with key result area 5. Governance Compliance and Risk Management.

e) Emmanuel Anglican College - Half yearly review for approval

Consistent with key result area 5. Governance Compliance and Risk Management.

f) Clarence Valley Anglican School - Half yearly review for approval

Consistent with key result area 5. Governance Compliance and Risk Management.

g) Lending Interest rate review Q3 2017 – 1/7/17 to 30/9/17

Consistent with key result area 5. Governance Compliance and Risk Management.

8. Matters for Update:

a) Staff update

Consistent with key result area 3. Human Resources

9. Matters for Noting

a) Fund Managers Report

b) Financial Reports - as at 31/5/17 & 30/6/17

Next Meeting – 24th August 2017



To be the trusted financial services provider of the Diocese of Grafton,
enabling ministry growth.

Minutes
Thursday 20th April 2017 9.00 am
Level 1 50 Victoria St Grafton

1. **Opening Prayer** Chris Nelson

2. **Attendees:**

Bishop Sarah	Ex Officio	(late arrival pre- arranged)
Chris Nelson	Ex Officio	
David Ford	Chairperson	
Terry Hunt	Board member	
Gary Boyd	Board member	
John Adlington	Board member	

Apologies: Ted Clarke
Phil Crandon

3. **Call for additional Agenda items and close of Agenda –**
Agenda item 6 out ii) Emmanuel Anglican College – expression of interest.

4. **Confirmation of**

a) **Minutes - 23rd March 17**

Motion: “That the minutes of 23/3/17 be accepted as true and correct”
Moved: Terry Hunt
Seconded: John Adlington
Carried

b) **Flying Minute – Copiers and printers approval to purchase**

Motion: “That the flying minute for AFGD’s contribution towards replacement of Diocese copiers & printers be confirmed.”
Moved: Terry Hunt
Seconded: Gary Boyd
Carried

5. **Conflict of Interest Declarations - Standing Register of interests at present**

- Bishop Sarah Macneil - various Diocesan Board representations
- Chris Nelson - various Diocesan Board representations
- Anglicare North Coast - Blaine Fitzgerald
- David Ford - Bishop Druitt College (BDC)
- Ted Clarke – Clarence Valley Anglican School (CVAS)

6. Correspondence In & Out

- In:** i. expression of Interest AFGD Board Lisa Mulvaney. Refer item 8a.
Out: i. Lindisfarne Funding approval AFGD.
ii. Emmanuel Anglican College – expression of interest. (refer late papers)

Motion: “that correspondence in and out be noted.”

Moved John Adlington

Seconded Gary Boyd

Carried

7. Matters for Decision:

a) Finalisation of office refit Cost \$4,891.00 incl GST

Consistent with; key result area 3. Customer and stakeholder

The agenda item was discussed and the following resolution was made:

Motion: “That AFGD approves the cost for finalisation of the office re-fit for \$4,891.00 from Office Choice – Coffs Harbour and Grafton.”

Moved: Terry Hunt

Seconded: Chris Nelson

Carried

These next two items were discussed at the same time.

b) APRA/ASIC update and next steps – linked to item 7.c)

Overview of current position including email correspondence has been provided in a self contained report to be noted in the minutes.

Consistent with; key result area 5. Governance Compliance and Risk management

c) AFS Licence update - (Australian Financial Services licence)

Refer to briefing paper with possible solutions.

The Board on first review of the proposal was not convinced it would work for our existing retail non associated clients. The Board has recommended a further meeting be established and that Blaine, Chris & David attend if possible.

Consistent with; key result area 5. Governance Compliance and Risk management

The Board discussed at length the information in the email chronology of the reports provided..

This is a more detailed update on the situation arising from the issuing of a new Class Order by the Australian Securities and Investment Commission (ASIC), AFGD's attempt to comply with that Class Order, and the situation arising from AFGD failure to supply documentation in 2002 in compliance with Class Order issued at that time.

You will note that the email chronology includes an ASIC officer, Stella Lee, saying "We note that issuing certain products to retail investors without disclosure and where no exemption is available may constitute a breach of the Corporations Act."

This matter was a priority discussion at today's meeting of the Board of AFGD. The Board passed the following resolutions related to this topic.

“Noting the potential seriousness of the Corporations Act breach notified by ASIC, the AFGD Board encourages the Manager to continue discussions with ASIC in conjunction with our solicitors Emil Ford, to investigate options for the Fund, and to have scenarios modelled in order for this matter to be further discussed at the 11 May 2017 meeting of the Board.”

Moved: David Ford
Seconded: Terry Hunt
Carried

“That after being advised of a possible breach of the Corporations Act that AFGD seek legal advice as to the possible consequences of such a breach”.

Moved: Terry Hunt
Seconded: John Adlington
Carried

“The AFGD Board asks the Registrar to source a suitable independent financial adviser for the modelling of scenarios in response to the ASIC Class Order.”

Moved: Bishop Sarah
Seconded: John Adlington
Carried

“That AFGD lodge an Identification Statement with ASIC as a wholesale charitable investment fundraiser whilst continuing to actively pursue a suitable arrangement for existing retail non-associated clients. In lodging the Identification Statement, AFGD will request a transition period to 31 December 2017 for the existing retail non-associated clients.”

Moved: Terry Hunt
Seconded: John Adlington
Carried

“That AFGD places a moratorium on the acceptance of new funds from retail non-associated clients until the response to the ASIC Class Order is clarified. In this period AFGD will communicate with prospective clients to this effect including a statement on the AFGD website. The draft statement shall be submitted to Emil Ford for comment prior to use.”

Moved: Chris Nelson
Seconded: Terry Hunt
Carried

With respect to the last resolution on the list, the draft statement is:

“Anglican Funds Grafton Diocese is currently responding to requests from the Australian Securities Investment Commission regarding the scope of its operational license and until that is clarified AFGD is unable to accept any new retail funds in its portfolio.”

AFGD expects this matter to be better understood within 30 days and will be in contact with existing and prospective customers as soon as clarification is achieved.”

8. Matters for Discussion:

- a) expression of Interest AFGD Board Lisa Mulvaney.

Consistent with; key result area 5. Governance Compliance and Risk management

The Board discussed the expression of interest from Lisa Mulvaney and proposed the following:

“That the AFGD Board recommend to Bishop-in-Council the appointment of Lisa Mulvaney to the Board of AFGD post Synod.”

Moved: Terry Hunt

Seconded: David Ford

Carried

9. Matters for Update:

Nil

10. Matters for Noting

- a) **Fund Manager Report** 17/3/17 to 18/4/17 (refer late papers)

Motion: “that the Fund Manager’s report be accepted.”

Moved Gary Boyd

Seconded John Adlington

Carried

- b) **Financial Reports** to 31/03/2017

Includes draft audited financial statements for review.

Consistent with key result area 1. Financial Performance

Motion: “that the Finance Report to 31/03/2017 be accepted.”

Moved: Gary Boyd

Seconded: John Adlington

Carried

Next Meeting –

11/5/2017 Joint with Corporate Trustees for review and signing of audited results.



To be the trusted financial services provider of the Diocese of Grafton, enabling ministry growth.

Minutes
Thursday 11th May 2017 9.00 am - includes joint meeting with Corporate Trustees at 11.20am
Level 1 50 Victoria St Grafton

1. **Opening Prayer** Bishop Sarah

2. **Attendees:** Bishop Sarah Ex officio
Chris Nelson Ex Officio
John Adlington Acting Chairperson
Ted Clarke Board member
Terry Hunt Board member (Note: via teleconference)

Apologies: David Ford Gary Boyd
Phil Crandon

3. **Call for additional Agenda items and close of Agenda –**
7b – AFS licence update –late paper
7d- Timing of minutes to be circulated from prior meeting
9a – 30/4/17 Finance Report

4. **Confirmation of**

a) **Minutes - 20th April 17** (not completed and will be distributed at a later date.) - **Noted**

5. **Conflict of Interest Declarations** - Standing Register of interests at present

- Bishop Sarah Macneil - various Diocesan Board representations
- Chris Nelson - various Diocesan Board representations
- Anglicare North Coast - Blaine Fitzgerald
- David Ford - Bishop Druitt College (BDC)
- Ted Clarke – Clarence Valley Anglican School (CVAS)

6. **Correspondence In & Out** - **Noted**

In: i. Nil
Out: i. Nil

7. **Matters for Decision/Discussion:**

a) **APRA/ASIC update and next steps – linked to item 7.b)**

Refer attached email update from ASIC and Emil Ford Solicitors.
Manager Blaine Fitzgerald to provide update as a late paper

Consistent with; key result area 5. Governance Compliance and Risk Management

Manager Blaine Fitzgerald ran through the report covering the last 30 days highlighting the outstanding key issues that still need to be resolved to move forward. As a result the following motion was made;

Motion: “That AFGD request the Manager to propose an increase from 4 to 8 hours per week in the definition of “volunteer” for ASIC’s consideration.”

Moved: John Adlington

Seconded: Chris Nelson

Carried

b) AFS Licence update - (Australian Financial Services licence)

Refer attached emails Matt Fletcher Melbourne Securities Corporation and Blaine Fitzgerald
Refer attached Briefing paper from Blaine Fitzgerald to Matt Fletcher.

Consistent with; key result area 5. Governance Compliance and Risk Management

Closely linked with Linked item 7a) a revised proposal was received by MSC.
It was decided to continue discussions with MSC for a possible solution option.
As a result of those discussions the following resolution was made;

Motion: "That the AFGD Board authorises the Fund Manager to obtain independent modelling of the financial effect of creating two classes of investment and the fee versus return profile for the following options:"

- 1) MSC proposal based on taking over the retail book with targeted returns.
- 2) Release the retail investors in a timely manner.

Moved: John Adlington

Seconded: Terry Hunt

Carried

c) Signing of AFGD audited financial results to 31/12/2016.

Consistent with; key result area 1. Financial Performance & 5. Governance Compliance and Risk Management

Motion: "That subject to a satisfactory presentation of the accounts by the auditor, the AFGD Board authorises the signing of the 2016 audited financial statements by John Adlington & Ted Clarke."

Moved: Terry Hunt

Seconded: Chris Nelson

Carried

d) Timing of minutes to be circulated from prior meeting.

Discussion held and it was acknowledged that best practice indicates minutes of Board meetings should be made available within 7 days of the meeting close for distribution to Board members.
Manager Blaine Fitzgerald acknowledged concerns and responded by saying that post Synod in June 2017 he was hoping to have a better process in place to address these concerns.

Consistent with; key result area 5. Governance Compliance and Risk Management

8. Matters for Update:

Nil

9. Matters for Noting

a) Financial Reports to 30/04/2017 (refer late papers)

Motion: "That the financial reports be accepted and the Board notes that AFGD is trading solvently."

Moved: Ted Clarke

Seconded: John Adlington

Carried

Next Meeting – 13th July 2017 (or if required on 6th June 17. This may be the via teleconference)



BOARD MEETING DATE:

27/07/2017

No 4 Confirmation of

Item: b

Title: Flying Minute Grafton Cathedral 2/6/17 (did not proceed)

No of Pages. 5 incl Header



Blaine Fitzgerald <blaine.fitzgerald@afgd.com.au>

Flying minute: Grafton Cathedral

5 messages

Blaine Fitzgerald <fundmanager@afgd.com.au>

2 June 2017 at 11:53

To: Chris Nelson <chris.nelson@graftondiocese.org.au>, David Ford <djcaford@gmail.com>, Gary Boyd <garyandcilla@outlook.com>, John Adlington <j.adlington@bigpond.com>, Phil Crandon <phil_crandon@bigpond.com>, Sarah Macneil <sarah.macneil@graftondiocese.org.au>, Ted Clarke <tedpeggy@bigpond.net.au>, Terry Hunt <t_s_hunt@bigpond.com.au>, kempang@bigpond.net.au
Cc: Annette Dent <annette.dent@afgd.com.au>

Dear Board members

Attached is a flying minute for consideration.

For the flying minute to proceed I am suggesting the following motion:

"That the Board of AFGD approve the request for an Overdraft of \$10,000 for the Grafton Cathedral Parish for a maximum term of 12 months"

It will require someone to

move it and

second it and

then a reply to all would be greatly appreciated.

kind regards,

*Did NOT
PROCEED*

**Blaine Fitzgerald FICDA, Dip. Bus. (Gov), Assoc. Dip. Acc
Manager - Anglican Funds Grafton Diocese
Level 1, 50 Victoria Street GRAFTON NSW 2460
PO Box 4 GRAFTON NSW 2460
Ph: 02 6642 4480 Fax: 02 6643 2391 Mobile: 0488 724 480
FreeCall 1800 810 919 (NSW Only)**



170601 AFGD Overdraft Facility Garfton Cathedral Parish.pdf

62K

John Adlington <j.adlington@bigpond.com>

2 June 2017 at 12:04

To: Blaine Fitzgerald <fundmanager@afgd.com.au>

Cc: Chris Nelson <chris.nelson@graftondiocese.org.au>, David Ford <djcaford@gmail.com>, Gary Boyd <garyandcilla@outlook.com>, Phil Crandon <phil_crandon@bigpond.com>, Sarah Macneil <sarah.macneil@graftondiocese.org.au>, Ted Clarke <tedpeggy@bigpond.net.au>, Terry Hunt <t_s_hunt@bigpond.com.au>, kempang@bigpond.net.au, Annette Dent <annette.dent@afgd.com.au>

Hi Blaine

I am happy to support the funding and move the motion.

John

Sent from my iPad

[Quoted text hidden]

<170601 AFGD Overdraft Facility Garfton Cathedral Parish.pdf>

Chris Nelson <chris.nelson@graftondiocese.org.au>

2 June 2017 at 12:11

To: Blaine Fitzgerald <fundmanager@afgd.com.au>
Cc: David Ford <djcaford@gmail.com>, Gary Boyd <garyandcilla@outlook.com>, John Adlington <j.adlington@bigpond.com>, Phil Crandon <phil_crandon@bigpond.com>, Sarah Macneil <sarah.macneil@graftondiocese.org.au>, Ted Clarke <tedpeggy@bigpond.net.au>, Terry Hunt <t_s_hunt@bigpond.com.au>, Peter Richards <kempang@bigpond.net.au>, Annette Dent <annette.dent@afgd.com.au>

Hi Blaine,

A change of direction. I have had an email conversation with Bishop Sarah and because of the Ordinance requirements for all borrowings I will contact the Cathedral Parish to ask if they would like to make a drawdown from their trust fund as a more expedient way of meeting their cashflow requirements.

I will however bring something to Bishop-in-Council later this year to bring in a more sensible process for small parish overdrafts and lines of credit.

[Quoted text hidden]

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Regards,

Chris Nelson

General Manager/Registrar

Anglican Diocese of Grafton

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Blaine Fitzgerald <fundmanager@afgd.com.au>

2 June 2017 at 12:13

To: Chris Nelson <chris.nelson@graftondiocese.org.au>

Cc: David Ford <djcaford@gmail.com>, Gary Boyd <garyandcilla@outlook.com>, John Adlington <j.adlington@bigpond.com>, Phil Crandon <phil_crandon@bigpond.com>, Sarah Macneil <sarah.macneil@graftondiocese.org.au>, Ted Clarke <tedpeggy@bigpond.net.au>, Terry Hunt <t_s_hunt@bigpond.com.au>, Peter Richards <kempang@bigpond.net.au>, Annette Dent <annette.dent@afgd.com.au>

Hi Chris,

Thank you for the update.
I will wait to hear the outcome.

kind regards,

Blaine Fitzgerald FICDA, Dip. Bus. (Gov), Assoc. Dip. Acc
Manager - Anglican Funds Grafton Diocese
Level 1, 50 Victoria Street GRAFTON NSW 2460
PO Box 4 GRAFTON NSW 2460
Ph: 02 6642 4480 Fax: 02 6643 2391 Mobile: 0488 724 480
FreeCall 1800 810 919 (NSW Only)

[Quoted text hidden]

D&C <djcaford@gmail.com>

2 June 2017 at 14:20

To: Blaine Fitzgerald <fundmanager@afgd.com.au>

Cc: Chris Nelson <chris.nelson@graftondiocese.org.au>, Gary Boyd <garyandcilla@outlook.com>, John Adlington <j.adlington@bigpond.com>, Phil Crandon <phil_crandon@bigpond.com>, Sarah Macneil <sarah.macneil@graftondiocese.org.au>, Ted Clarke <tedpeggy@bigpond.net.au>, Terry Hunt <t_s_hunt@bigpond.com.au>, Peter Richards <kempang@bigpond.net.au>, Annette Dent <annette.dent@afgd.com.au>

Change of direction noted

Regards
David Ford
0418654909

[Quoted text hidden]

The Cathedral Church of Christ the King, Grafton

01/06/2017 – Credit application:

Purpose:

Two parish council representatives Secretary Roger Millard & Treasurer Alex Purvis met with AFGD today to discuss their working capital and cash flow position.

During the current 2017 year they have struggled with the timing of expenditure.

Payroll in the middle of each month and parish pledge and insurance at the end of the month.

Historically the account corrects itself through the month.

The timing of these payments has been further exacerbated by;

- the departure of the Dean and associated final payroll costs.
- the repairs and maintenance being expended from cash flow to upgrade the deanery, yet to be capitalised and reimbursed through the Trust account if approved.
- the additional costs of locum staff covering a relief period until a permanent replacement is appointed.
- the recovery period of the fire will take a further 12 months to return the Parish to what they would consider normal.

To assist the Parish work through this period of change it was proposed to provide the following:

Facility proposed:

Limit amount	\$10,000 Overdraft on operating account no. 00033630
Term:	12 months then review with the goal to cancel early by say March 18.
Rate:	5.55% - Anglican Funds Parish Reference Rate 5.05% + margin 0.50%
Security:	Nil - unsecured
Approval Fee:	Nil
Line Fee:	Nil

Financial Data:

The following financial data has been provided to support the request;

- 2016 Parish Return
- 2017 operating budget
- Cash flow analysis of their peak working capital requirements from 1/1/17 to 1/6/17.

Recommendation and next steps:

- Based on the information provided I am recommending approval of facilities to the Board of AFGD as documented. Due to timing this will need to be circulated via a flying minute for consideration.
- Further borrowings at Parish level regardless of amount require approval from Bishop-in- Council. A copy of the funding request is to be forwarded to the Secretary of Bishop-in- Council, Chris Nelson for circulation via flying minute for consideration.



Blaine Fitzgerald
Fund Manager - AFGD



BOARD MEETING DATE:

27/07/2017

No 7 Matters for Decision/Discussion

Item: a & b

Title: APRA/ASIC Update and AFS Licence Update

No of Pages. 22 incl Header

APRA/ASIC 6/7/17

APRA – No change in their position. AFGD remains confident it can comply with their requirements.

ASIC - previously well documented. Refer below

Latest update 6/7/17

I thought the most effective way to provide an update is to respond to the past resolutions over April & May 17 relating to ASIC and our retail non-associated clients.

“That after being advised of a possible breach of the Corporations Act that AFGD seek legal advice as to the possible consequences of such a breach”.

Moved: Terry Hunt
Seconded: John Adlington
Carried

At the time of the resolution ASIC had adopted a more stringent response. By the time the information was collated by Emil Ford ASIC had relaxed their position to a more facilitative approach. Subsequently they released a media statement on 9 June 2017 confirming the transition period out to 31/12/17 to all funds who have had their ASIC Identification Statement accepted covering the 2016 class order.

AFGD's Identification Statement as a Wholesale Investment Charitable Fundraiser was accepted on the 11th May 2017.

However the preliminary work was completed by Emil Ford Solicitors and I have provided a copy with this report.

Motion: “The AFGD Board asks the Registrar to source a suitable independent financial adviser for the modelling of scenarios in response to the ASIC Class Order.”

Moved: Bishop Sarah
Seconded: John Adlington
Carried

Motion: “That the AFGD Board authorises the Fund Manager to obtain independent modelling of the financial effect of creating two classes of investment and the fee versus return profile for the following options:”

- 1) **MSC proposal based on taking over the retail book with targeted returns.**
- 2) **Release the retail investors in a timely manner.**

Moved: John Adlington
Seconded: Terry Hunt
Carried

Chris was able to source a suitable person to complete the review. His name is David Burton and his current role is Acting CFO for the Anglican Diocese of Southern Queensland with extensive experience in the operating model of a religious charitable development fund.

20/6/17

Blaine

As discussed, while I am not in a position to make a recommendation to you or your Board, I have reviewed your calculations and assumptions around margins, income and expense impacts under your proposed scenarios. I can see no issues with the calculations, and I think these assumptions are reasonable. On the basis of this information, I see no reason why you should not proceed with your proposal for an agreement with MSC.

All the best
David Burton

David Burton
Chief Financial Officer (Acting)

Level 2 Webber House
439 Ann St, Brisbane Q 4000
GPO Box 421, Brisbane Q 4001

P: (07) 3838 7753
E: dburton@anglicanchurchsq.org.au
W: anglicanchurchsq.org.au

Motion: *“That AFGD lodge an Identification Statement with ASIC as a wholesale charitable investment fundraiser whilst continuing to actively pursue a suitable arrangement for existing retail non-associated clients. In lodging the Identification Statement, AFGD will request a transition period to 31 December 2017 for the existing retail non-associated clients.”*

Moved: Terry Hunt
Seconded: John Adlington
Carried

Motion: *“That AFGD request the Manager to propose an increase from 4 to 8 hours per week in the definition of “volunteer” for ASIC’s consideration.”*

Moved: John Adlington
Seconded: Chris Nelson
Carried

AFGD’s Identification Statement as a Wholesale Investment Charitable Fundraiser was accepted on the 11th May 2017 with the increase in volunteer hours from 4 – 8 hours per week. A copy of the accepted statement and ASIC confirmation is attached for your reference.

Motion: *“That AFGD places a moratorium on the acceptance of new funds from retail non-associated clients until the response to the ASIC Class Order is clarified. In this period AFGD will communicate with prospective clients to this effect including a statement on the AFGD website. The draft statement shall be submitted to Emil Ford for comment prior to use.”*

Moved: Chris Nelson
Seconded: Terry Hunt
Carried

This task was completed 22/5/17.

Due to the recent 9/6/17 media release by ASIC extending transition period for RCDF’s until 31/12/17, I would suggest we remove this from our disclosure document.

Please comment

10/6/17

ASIC response to Ron Perry

Representatives from Armidale Diocese met with ASIC 9/6/17 and after explaining the core role the Development Funds play in the life of a Diocese they received a response subject to standard disclaimers that – Lending was not considered an investment business and therefore an AFSL may not be required.

This appeared at odds with any prior discussions we had had with ASIC and if independent legal advice was received indicating we could rely on the carve out, then potentially it could be business as usual without any need for AFSL licencing.

(Refer to PDF attachment named Armidale response)

26/6/17

Videoconference organised to discuss ASIC response of 10/6/17 with;
Matt Fletcher – MSC
Alison Perrot – Ord Minnett
Ron Perry – Armidale Diocese
Brian Norris – Gippsland
Blaine Fitzgerald - Grafton

Matt Fletcher has experience in the debenture issue space with some of his existing clients holding a credit authority and an AFSL licence and some that are not required to.

Alison was also able to produce a number of sample prospectuses of debenture issuers who are not licenced.

Matt agreed to have a meeting with ASIC 3/7/17 and ask them directly to respond.

5/7/17

ASIC response was received and shared for each development fund to take the next step.
(Refer to PDF attachment named MSC response)

6/7/17

Blaine called Ron to discuss what he would be recommending Armidale do.
Ron thought there remained a glimmer of hope that they would not need licencing and was prepared to recommend to his Board they seek a legal opinion to finalise their position one way or the other.

He is prepared to share the advice if they go down that path.

Next steps:

I would like to know what the Board would like me to do next, given the response from ASIC.

Option 1:

Wait for a legal opinion outcome from Armidale and if that proves unfavourable move forward with the MSC proposal requiring a recommendation from AFGD Board for signing by the Corporate Trustees.

Option 2:

Move forward with the MSC proposal requiring a recommendation from AFGD Board for signing by the Corporate Trustees.

Reason: Option 1 may only delay the inevitable in having to be licenced committing more time and resources to find ourselves back where we started.

Note: To assist refresh our memories I have attached a copy of the MSC proposal dated 15/5/17

Recommendation:

- I remain sceptical that we can continue to operate without some form of licencing to protect retail investors, particularly retail non-associated investors.
- AFGD we will need spend more in legal costs to explore a potential carve out on option 1 that ASIC can close at any time in the future.
- A third party regulatory provider in MSC is not confident that lending is not an investment business and is seeking its own legal advice.

If the decision was mine I would put in place the agreement with MSC so that we can move forward and plan with some level of confidence and surety.

Blaine Fitzgerald
Fund Manager - AFGD



Blaine Fitzgerald <blaine.fitzgerald@afgd.com.au>

FW: Debenture issuer - dealing authority [SEC=UNCLASSIFIED]

1 message

Matt Fletcher <mfletcher@melbournesecurities.com.au>

5 July 2017 at 17:16

To: Blaine Fitzgerald <fundmanager@afgd.com.au>, Alison Perrott <aperrott@ords.com.au>, Ron Perry <registrar@armidaleanglicandiocese.com>, Brian Norris <briann@gippsanglican.org.au>, ddfaccounts@armidaleanglicandiocese.com

Alison, Blaine, Ron and Brian

Please see feedback from ASIC in respect to the dealing authority question below.

I do note that this largely represents direct quotation of published information you've all seen, so I'm not entirely sure it will help. In usual style they are covering themselves by suggesting you need legal advice.

The difficulty for me is this:

ASIC's general position on lending businesses/investment businesses for the purposes of this definition is that we generally do not consider that lending money can be characterised as an investment, at least where there is no understanding that the repayments will be coming from any particular assets or core commercial activity held by the person who borrows the money from the debenture issuer (the borrower).

The double negative makes this ambiguous and I am seeking my own advice from Gadens on this. But it would appear to me lending is normally reliant on repayment from a particular asset or commercial activity unless perhaps they are trying to separate personal or home loans from investment property loans for example?

I do not think we will get further clarity from ASIC. So as suggested, each church/fund should seek and hold their own legal advice as defence before continuing in a particular direction.

Regards

Matthew Fletcher | Managing Director

Melbourne Securities Corporation Ltd | ACN 160 326 545 AFSL 428289 ACL 428289



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From: Annabel Gibson [mailto:Annabel.Gibson@asic.gov.au]
Sent: Tuesday, July 4, 2017 2:21 PM
To: Matt Fletcher <mfletcher@melbournesecurities.com.au>
Cc: Aphonsus DeRoza <alphonsus.deroza@asic.gov.au>; 'Scott Lillingston' <scott@melbournesecurities.com.au>; 'William Zhang' <William.Zhang@asic.gov.au>
Subject: Re: Debenture issuer - dealing authority [SEC=UNCLASSIFIED]

Good afternoon Matthew,

Thanks for your email. It seems there are two related questions:

1. whether 'lending businesses' are considered 'investment businesses' for the purposes of assessing whether the self-dealing exemption from the need to hold an AFS licence applies; and
2. in what circumstances will a charitable investment fundraiser (CIF) require an AFS licence (which may include a dealing authority) for the purposes of establishing trusteeship arrangements.

We note that ASIC cannot provide legal advice, and as such our statements below are based on ASIC published policy. We recommend seeking professional advice on how our policy statements might apply in individual circumstances.

1) Whether 'lending businesses' are considered 'investment businesses' in relation to self-dealing

A debenture issuer who carries on a financial services business of dealing in debentures will generally be required to hold an AFS licence except where they are merely dealing in their own securities. In this case a person is deemed not to be dealing in a financial product, as set out in the 'self-dealing' exemption: see s766C(4)(c) of the Corporations Act 2001 (Corporations Act). Relevantly, the self-dealing exemption does not apply where a person:

- (a) carries on a business of investment in securities, interests in land or other investments, and
- (b) invests the contributions of investors after an offer or invitation to the public made on terms that the funds subscribed would be invested (see section 766C(5)).

Per our guidance at the link you referenced below, ASIC's general position on lending businesses/investment businesses for the purposes of this definition is that we generally do not consider that lending money can be characterised as an investment, at least where there is no understanding that the repayments will be coming from any particular assets or core commercial activity held by the person who borrows the money from the debenture issuer (the borrower).

We note that individual debenture issuers should seek professional advice as to whether their specific circumstances give rise to the self-dealing exemption (having regard to ASIC's general position). ASIC cannot provide advice on the specific circumstances of an issuer.

2) When a CIF will require an AFS licence for the purposes of establishing trusteeship arrangements

ASIC has given conditional relief to CIFs from the fundraising, managed investment and debenture provisions and certain relief from the licensing provisions of the *Corporations Act 2001 (Act)*: see ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (**Instrument**) and Regulatory Guide 87 *Charitable schemes and school enrolment deposits (RG 87)*.

Under subsection 5(1)(b) of the Instrument, a CIF does not have to comply with Parts 6D.2 and 6D.3 of the Act in relation to an offer for the issue of a debenture. This also means that the CIF will not be required to enter into a trust deed under section 283AA of the Act.

For completeness, we note that wholesale CIFs will not need an AFS licence to:

- (a) deal in financial products by issuing debentures or interests in a charitable scheme that relate to the scheme;
- (b) deal in financial products that are assets held for investors in the course of the operation of a scheme;
- (c) provide a custodial or depository service by holding financial products on behalf of investors in a scheme in the course of operating the scheme; and
- (d) provide financial product advice that is general advice in an offer document issued in connection with the scheme. The offer document must be supplied, in place of a PDS or a prospectus, as a condition of our product disclosure relief. We have treated this offer document as if it were an exempt document: see RG 87.25.

Retail CIFs will need an AFS licence if a debenture or interest in a charitable scheme is issued to a person as a retail client that is not associated with the CIF: see RG 87.13. Under this policy, we consider an 'associate' of a CIF to be (per RG 87.27):

- (a) a body constituted by or under the authority of a decision of the charity, or which is controlled by the charity;
- (b) a person or body that constituted the charity or under whose authority the charity was constituted or that controls the charity;
- (c) a charity with related charitable purposes that is the same as or similar to the charity;
- (d) a person acting as a trustee of a trust for the charity or for a charity with a related charitable purpose;
- (e) a member of the clergy, an employee or a voluntary staff member who works for any person mentioned in RG 87.27(a)–RG 87.27(d); or
- (f) a person undertaking training or education to enable them to be a person under RG 87.27(e) and who receives money or money's worth from any person mentioned in RG 87.27(a)–RG 87.27(e).

In this way, whether a retail CIF will need to get an AFS licence (which may include a dealing authority) will also depend on the status of its clients (in addition to whether the self-dealing exemption might apply). We reiterate that individual retail CIFs should seek professional advice to determine if they are required under this policy to have an AFS licence to continue operations. ASIC cannot provide advice on the specific circumstances of a CIF.

Finally, we note that a CIF that issues financial products through an intermediary who holds an AFS licence with appropriate authorisations may still be exempt from the licensing provisions: s911A(2)(b). Relevantly, the Instrument provides transitional relief to give CIFs adequate time to help them prepare for additional regulatory requirements, including obtaining an AFSL should the circumstances of the charity necessitate it.

Regards,

Annabel

Annabel Gibson | Analyst | Corporations | ASIC | 120 Collins Street, Melbourne VIC 3000 | p: +61 3 9280 4270 | f: +61 3 9280 3306 | e: annabel.gibson@asic.gov.au

From: "Malt Fletcher" <mflletcher@melbournesecurities.com.au>
 To: "William Zhang" <William.Zhang@asic.gov.au>, "Aphonsus DeRoza" <alphonsus.deroza@asic.gov.au>,
 Cc: <Annabel.Gibson@asic.gov.au>, "Scott Lillingston" <scott@melbournesecurities.com.au>
 Date: 27/06/2017 01:50 PM
 Subject: Debenture issuer - dealing authority

Mr Zhang & Mr De Roza

As a completely separate consideration to ongoing MSC matters, we have a more general query for which we are seeking guidance if possible.

MSC has been approached to consider trusteeship by more than one established debenture issuer running what

we would consider 'investment businesses', where we have either rejected the opportunity because of concern they do not hold an AFSL and in particular a securities dealing authority or requested them to obtain that authority as a condition to our trusteeship.

Our expectation for such a requirement has also caused frustration for newly proposed debenture issuers, for example church and charitable groups considering new provisions as summarised in RG87, because they refer to existing operators actively issuing debentures over many years without such authority and wonder we would insist on it.

We refer to some guidance published by ASIC:

<http://asic.gov.au/for-finance-professionals/afs-licensees/do-you-need-an-afs-licence/is-there-a-licensing-exemption-available-for-the-issue-of-debentures/>

There seems to be some industry conjecture that 'lending businesses' may or may not be considered 'investment businesses' and therefore may or may not be excluded from a requirement for dealing authority.

For what it's worth our opinion is that a lending business is definitely an investment business because it is essentially using debenture capital to invest in debt instruments and performance of those debentures are completely reliant on this activity.

Does ASIC have an established position on this matter? MSC would be willing to share (with anonymity) the names of established operators who in our opinion should indeed hold dealing authority but do not, if it may assist ASIC in consideration of this matter more broadly.

Regards

Matthew Fletcher | Managing Director
Melbourne Securities Corporation Ltd | ACN 160 326 545 AFSL 428289 ACL 428289



A: Level 2, Professional Chambers | 120 Collins Street, Melbourne VIC 3000

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D: +61 3 9639 2900 | +61 488 600 600

melbournesecurities.com.au | mscadvisory.com.au



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7/6/2017

Mail - FW: Debenture issuer - dealing authority [SEC=UNCLASSIFIED]



Blaine Fitzgerald <blaine.fitzgerald@afgd.com.au>

structure diagram and other

10 messages

Blaine Fitzgerald <fundmanager@afgd.com.au>

26 June 2017 at 15:44

To: Matt Fletcher <mfletcher@melbournesecurities.com.au>

Cc: Alison Perrott <aperrott@ords.com.au>, Ron Perry <registrar@armidaleanglicandiocese.com>

Hi Matt,

Is it possible to set up a teleconference later this week to discuss the structure diagram and to gauge your thoughts on some feedback Ron received from his face to face meeting with ASIC.

Alison has provided a lot of the discussion points on the ASIC feedback and before we go any further we would be interested to hear your perspective. (refer extracts below)

We look forward to catching up.

ASIC to Ron Perry 14/6/17

Dear Mr Perry

We appreciate you and your colleague meeting with us on 9 June 2017 and explaining some aspects of the operation of the investment fund operated by the Anglican Diocese of Armidale. I note the fund is operated as a body corporate and you refer to it in the 2017 identification statement as DDF.

You are concerned at the expense that may be involved in obtaining an Australian financial services (AFS) licence. At the meeting I agreed to your request to provide some further information on a couple of aspects of regulation under the *Corporations Act 2001*. I am not able to give you legal advice. There are important technical provisions that would affect this, so these are matters for you to seek your own advice. These comments are not intended to imply a particular policy or enforcement stance of ASIC. The following simplified summary may assist you consider options to further explore.

Licensing

As an alternative to meet the requirements for a licensing exemption under ASIC Instrument 2016/813, it may be possible to rely under other exemptions in respect of the financial services that are provided in relation to the fund.

Some of the financial services that may be provided are:

- (a) issuing a financial product (the investors rights in relation the fund which the DDF Identification Statement indicates are a debenture)
- (b) holding financial products on trust for investors
- (c) dealing in financial products by acquiring financial products as part of the fund held for investors.

In relation to (a), generally corporations issuing debentures do not require an Australian financial services licence to issue the debentures: s766C(4) of the *Corporations Act*. A licence may be required if the money raised is used to carry on an investment business and it was raised on the basis this would occur. Lending is not generally considered to be investment business. It may be open to for the DDF to make offers on the basis that the money will be held in cash and that the DDF's business is one of lending and that it may undertake other activities which include investment.

Alternatively, an exemption applies under s911A(2)(b) of the *Corporations Act* where the issue occurs under an offer that was arranged by an AFS licensee under an arrangement between the issuer and the licensee. The same AFS licensee could perform this function for multiple issuers such as multiple Anglican investment fund trustees. This AFS licensee would take responsibility for the marketing including any advice that is given about investing in the DDF.

In relation to (b) and (c) it would seem that the investments of the DDF are not held on trust for or behalf of the investors, as the DDF Identification Statement indicates investors receive debentures and their entitlement is a debt

of DDF as a body corporate. On this basis the financial products may not be considered to be bought or sold on behalf of investors in a legal sense, as investors are entitled to receive repayment of a debt with fixed interest as set out in the terms of issue. This means (b) and (c) may not be relevant.

Financial requirements

An entity that holds an AFS licence must have adequate financial resources. Particular requirements which set minimum amounts of financial resources apply depending on the financial services provided and other circumstances.

There are base level requirements to be solvent, have positive net assets and to have cash flow projections demonstrating adequate cash over a period of at least 3 months.

The financial services noted above at (a) and (c) would generally be subject only to the base level requirements.

The information in Mr Fitzpatrick's letter had regard to the DDF's 2015 identification statement under which it appeared you were offering interests in a managed investment scheme. As the DDF will be issuing debentures under DDF's 2017 Identification Statement, it appears that (b) may not apply. However if it does, and the DDF holds financial products for clients, they may have to have \$150,000 in Net Tangible Assets (NTA). NTA is basically assets minus liabilities with some adjustments. However if the DDF arranges for a licensee who is a professional custodian or bank to hold the financial products for the DDF (and not directly for the investors) then this requirement will not apply.

For more information see ASIC Regulatory Guide 166 Licensing: Financial requirements.

regards,

Geoff McCarthy | Senior Specialist | Investment Managers and Superannuation| ASIC | tel 61 2 9911 2083 | fax 61 2 9911 2414 | email geoff.mccarthy@asic.gov.au

Alison to Ron & Blaine 21/6/17

Hi Ron & Blaine,

Further to my discussion with Ron this morning and the email from ASIC, I have fired off an email to our corporate finance based on the fact that the issuer (the development funds) are in "lending business" not "investment business" asking the following:

1. Prospectus/PDS – does it need to lodged with ASIC?
2. Does the debenture issuer need an AFSL ?

Based on 20 or more retail investors. I think the email from ASIC is "assuming" that as you are a lending business and you issue debentures to professional & associated members then it is possible to use the carve out and exemption provided. When it comes to pure retail, as we have found with many finance companies who have closed down their debenture offerings the AFSL requirements were too onerous and no exemption provided even though a "lending business".

BUT I have found another carve out for debenture issuers not needing an AFSL in section 82 regarding offer to the public:

sect 82 (c) is made or issued to existing members or debenture holders of a corporation and relates to shares in, or debentures of, that corporation;

What we may be able to do is for account holders somehow become members before they open an account then you are not making an offer to the public and so are not required to hold an AFSL.

Will get back asap regarding my thoughts on how best to approach the legal advice.

Ps. Also see attached an ASIC doc which is for investors buying unlisted debentures, which should give you some idea of what ASIC is trying to protect investors from – note the liquidity & capital requirements are not dissimilar to what you are both already running with.

Kind regards,

Alison Perrott

Senior Adviser, Investments & Portfolio Strategy

Alison to Ron & Blaine 23/6/17

Hi Ron & Blaine,


Further to the below email, I have received verbal confirmation that a "lending business" is not subject to AFSL requirements when not providing any product advice and when not conducting an investment business (like an MIS). That said, to then issue debentures, what will need to be clear is the following:

1. If you are a lender – does that still fall under the APRA RCDF banking exemption?; then
2. Does the ASIC Charitable Fundraising exemption for wholesale still apply? Is it now relevant? Then;
3. Will the fund need a credit licence? All debenture issuers I have seen have at least a credit licence, RG203 allows for an exemption when loans are made to employees or related body corporates, so given the Armidale fund is keeping it "in house" the fund in theory should be exempt – not sure how that will work for the school loans for Grafton though – and for any loans done in partnership with banks.
4. If classified as a "lending business" what is the impact on charitable status for tax purposes?
5. As a "lending business" does the debenture offer document need to be lodged with ASIC?

There are other requirements around lending criteria and these should be double checked such as capital adequacy etc but on the face of it none of the requirements look beyond what you are already doing (see document I sent through yesterday).

kind regards,

Blaine Fitzgerald FICDA, Dip. Bus. (Gov), Assoc. Dip. Acc
Manager - Anglican Funds Grafton Diocese
 Level 1, 50 Victoria Street GRAFTON NSW 2460
 PO Box 4 GRAFTON NSW 2460
 Ph: 02 6642 4480 Fax: 02 6643 2391 Mobile: 0488 724 480
 FreeCall 1800 810 919 (NSW Only)

 **MIS Structure (Anglican) (1).pdf**
230K

Matt Fletcher <mffletcher@melbournesecurities.com.au>
 To: Blaine Fitzgerald <fundmanager@afgd.com.au>
 Cc: Alison Perrott <aperrott@ords.com.au>, Ron Perry <registrar@armidaleanglicandiocese.com>

26 June 2017 at 18:30

15 May 2017

The Directors
The Corporate Trustees of the Diocese of Grafton
C/O Mr Blaine Fitzgerald
Level 1, 50 Victoria Street
GRAFTON NSW 2460

By email: fundmanager@afgd.com.au

Dear Blaine

**RE: PROPOSAL – PROFESSIONAL TRUSTEE SERVICES
DIOCESE OF GRAFTON INVESTMENT TRUST**

Thank you for your enquiry and the opportunity to provide this updated trustee proposal for the Diocese of Grafton Investment Trust. Background information relating to Melbourne Securities Corporation Ltd is included.

This letter supersedes and replaces the previous offer dated 5 April 2017.

MELBOURNE SECURITIES CORPORATION LTD

MSC specialises in the following services:

- corporate & professional trustee services;
- retail & wholesale managed investment scheme (**MIS**) trustee & responsible entity services;
- retail & wholesale debenture trustee services;
- external AFSL & Australian Credit Licensing and authorised representative appointment;
- ASIC registered local agent services for foreign companies;
- Significant Investor Visa (**SIV**), Premium Investor Visa (**PIV**) & other Australian visa compliant fund licensing;
- fintech, crowdfunding, marketplace lending (**MPL**) & peer to peer (**P2P**) platform licensing;
- venture capital fund licensing (**VCLP** & **ESVCLP**);
- collective Investment Vehicles (**CIV**), Limited Partnership CIV, Common Contractual Fund (**CCF**) CIV;
- escrow services;
- security trustee services; and
- AFSL compliance oversight.

We have extensive experience in:

- capital structure establishment and documentation;
- compliance and satisfying regulatory responsibility;
- the operation of a wide range of retail and wholesale capital structures;
- diversified investment and asset management;
- structured corporate and commercial finance;
- direct property investment and management; and
- other financial asset selection and management.

COMPLIANCE

Licensing

Melbourne Securities Corporation Limited ACN 160 326 545 is licensed by the Australian Securities & Investments Commission ("**ASIC**") under:

- Australian Financial Services Licence No. 428289 ("**AFSL**"); and
- Australian Credit Licence No. 428289 ("**ACL**").

Financial & Insurance Requirements

The company is required to meet strict financial guidelines as set out in the Corporations Act 2001 and under its AFSL and ACL, including holding adequate professional indemnity insurance, a minimum net tangible assets and it must produce regular cash flow projections to ensure it has the financial resources to meet its obligations on an ongoing basis.

Compliance Committee

A Compliance Committee has been established to monitor compliance and report to the directors of MSC on a regular basis regarding adherence of the company to the Corporations Act and ASIC requirements. If any issues or breaches are not addressed by either the management or the board of MSC, the Compliance Committee is obliged to report directly to ASIC.

Audit

In adherence with Corporations Act requirements, MSC is subject to independent financial audit. It is also subject to independent compliance audit on a minimum annual basis.

MSC BOARD & COMPLIANCE COMMITTEE

Please refer to Annexure A.

FURTHER INFORMATION

Please refer also to English, Mandarin and Japanese versions of our website at:
www.melbournesecurities.com.au

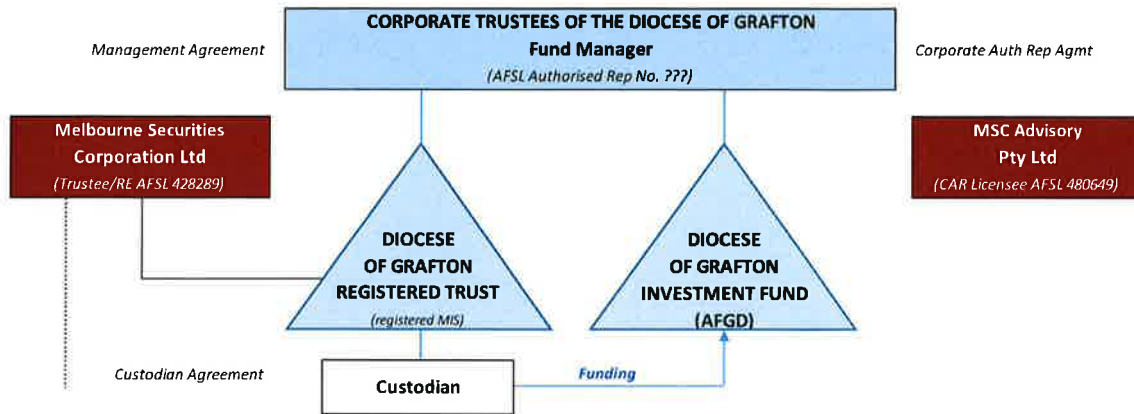
TRUSTEE PROPOSAL

Fund / Trust	Diocese of Grafton Registered Trust
Type of Trust	Unlisted, pooled asset, multi-class, unit trust to operate as a registered managed investment scheme
Trust / Fund Manager	<p>The Corporate Trustees of the Diocese of Grafton (or other nominated entity), to be optionally appointed an AFSL Authorised Representative of MSC Advisory Pty Ltd AFSL 480649 (MSCA) (if required) for the purposes of fundraising promotion and management, covering some or all of:</p> <p>a) dealing – arranging issue, variation and redemption of interests in the Fund;</p> <p>b) dealing – in the asset classes comprised in the Fund (e.g. financial assets, securities, deposit products etc)</p> <p>c) general advice[#] – to investors in respect of interests in the Fund</p> <p>d) general advice[#] – to the trustee in respect of specific Fund asset classes</p> <p><i>[# general advice to any <u>retail investors</u> subject to at least once officer of the Fund Manager with base level RG146 training specific to relevant advice authorisations]</i></p>
Trustee / Responsible Entity	Melbourne Securities Corporation Ltd (MSC) AFSL 428289
Trustee Appointment Term	Minimum 3 year commitment from MSC, with early termination at Fund Manager’s discretion at any time with 6 months’ notice. Extension by mutual agreement.
Investment Assets	The Trust will provide capital for diversified asset investments made on balance sheet by the Corporate Trustees of the Diocese of Grafton comprising cash & deposit products, securities, bonds, financial assets, direct property etc)
Target Fund Return	TBA, with unit class specific net target returns
Projected Equity Raising	Open, no minimum
Minimum Investment	TBA
Investment Term	TBA
Suitable Investors	All investor types (unrestricted, following registration)
Fund Custodian	TBA – external custodian required upon registration
Investment Manager	Ord Minnett or as selected by Fund Manager

Fund Administrator	TBA
Fund Financial Auditor	TBA
Compliance Plan Auditor	TBA
Trust Documentation	<p>Required fund documentation:</p> <ul style="list-style-type: none"> a) Trust Deed (fund constitution) b) Product Disclosure Statement (PDS) c) Compliance Plan (draft provided by MSC) d) Financial Services Guide (FSG) <p><i>The PDS and all promotional material can be fully branded in the name of the Fund Manager/Diocese. The trust documentation must be arranged by the Fund Manager and signed off by external solicitor and tax adviser at their instruction/cost, and is subject to MSC review.</i></p>
Trustee Documentation	<p>Required trustee documentation:</p> <ul style="list-style-type: none"> 1. Management Agreement (MA) 2. (Optional) Corporate Authorised Rep Agreement (CARA) 3. Custodial Agreement (in respect registered option only, draft provided by nominated custodian) <p><i>MSC will be responsible for production of trustee documentation which will refer to MSC's internal policy documentation including AML&CTF Policy and Authorised Representative Policy. MSC's trustee role and the Fund Manager's appointment as manager of the Trust and AFSL authorised representative will be established and maintained via the MA & CARA, respectively, covering all key officers of the Fundraising entity. A surety in respect to performance under these agreements will be required from The Anglican Diocese of Grafton to cover the event of failure or inability of the Fund Manager to act.</i></p>

Trustee Fee (MSC)	<p>Engagement fee of \$20,000[#] (plus GST) – payable \$10,000 up front (includes structuring assistance, preparation of trustee documentation & review of fund documentation) and the balance upon execution of MA.</p> <p>Scheme registration success fee of \$10,000 (plus GST) payable upon successful registration of the Fund which will be arranged and managed by MSC.</p> <p>Ongoing trustee fee post registration calculated as a percentage of month ending aggregate funds (investor capital only) under management (FUM), with reference to the following scale:</p> <table border="1" data-bbox="758 745 1189 929"> <thead> <tr> <th>FUM</th> <th>RATE (p.a.)</th> </tr> </thead> <tbody> <tr> <td>\$0 - \$50M</td> <td>0.15%</td> </tr> <tr> <td>\$50M - \$100M</td> <td>0.08%</td> </tr> <tr> <td>\$100M - \$150M</td> <td>0.06%</td> </tr> <tr> <td>\$150M+</td> <td>0.04%</td> </tr> </tbody> </table> <p>paid quarterly in arrears (plus GST), with the first quarter commencing from scheme registration (minimum \$30,000 p.a. plus GST).</p> <p><i>[# Please note that the engagement fees quoted assume acceptance of our standard agreements. Extensive changes sought to our standard MA and CARA which require MSC legal review will incur additional charges and are unlikely to be accepted.]</i></p>	FUM	RATE (p.a.)	\$0 - \$50M	0.15%	\$50M - \$100M	0.08%	\$100M - \$150M	0.06%	\$150M+	0.04%
FUM	RATE (p.a.)										
\$0 - \$50M	0.15%										
\$50M - \$100M	0.08%										
\$100M - \$150M	0.06%										
\$150M+	0.04%										
(Optional) Corporate Authorised Representative Fee (MSCA)	<p>This aggregate CAR fee (covering Fund Manager and key officers) is payable to MSCA quarterly in arrears (plus GST), with the first quarter commencing from execution of the CARA to cover immediate promotion of the Fund, with reference to the following scale:</p> <table border="1" data-bbox="794 1507 1228 1619"> <thead> <tr> <th>FUM</th> <th>RATE</th> </tr> </thead> <tbody> <tr> <td>< \$10M</td> <td>\$8K p.a.</td> </tr> <tr> <td>> \$10M</td> <td>\$12K p.a.</td> </tr> </tbody> </table>	FUM	RATE	< \$10M	\$8K p.a.	> \$10M	\$12K p.a.				
FUM	RATE										
< \$10M	\$8K p.a.										
> \$10M	\$12K p.a.										

STRUCTURE DIAGRAM



- The new registered trust will facilitate offers to investors of fixed rate investments (returns/capital can be target only or guaranteed by the church).
- Different rates and investment terms can be offered, facilitated legally in the Trust constitution by different classes of units.
- The Trust will provide capital to the AFGD by way of secured or unsecured loan arrangement at a blended overall interest rate or by a series of individual rates to ensure income commitments to investors are met.
- AFGD retains all assets on balance sheet and has full discretion over asset selection and management.
- AFGD retains any upside (net of commitments to the investors/Trust) and continues to benefit from any tax credits and existing tax incentives.

PROPOSAL RATIONALE

This structure is designed to ensure:

- operation as a registered MIS facilitating all investor types (retail & wholesale);
- operational appointment of the Fund Manager as an AFSL Authorised Representative for regulatory, marketing and promotional purposes;
- control of day-to-day Trust operation and management by the Fund Manager;
- MSC trustee role operationally under instruction by the Fund Manager;
- ownership of investor relationships and all Trust IP under terms of the Management Agreement remains with the Fund Manager;
- flexibility in licensee appointment term with ability to terminate licence agreement with notice;
- offer of resignation by the Trustee after 3 years to put control of structure back to the Fund Manager, at which time the Fund Manager can terminate, extend, renegotiate, replace etc

Note: the structure proposed is subject to legal & taxation advice.

TRUSTEE ROLE

In exercising its powers and duties, the trustee must:

- act honestly and in the best interests of investors at all times;
- exercise a reasonable degree of care and diligence;
- treat each class of unitholders equally and fairly;
- not make use of information obtained to gain an improper advantage or cause detriment to unitholders;
- comply with the Trust's constitution and all applicable laws;
- ensure Trust property is separated from the property of other entities; and
- assume ultimate regulatory responsibility, including dealing with breaches, any complaints by investors and enquiries by the regulator.

As trustee, MSC will assume ultimate responsibility for legal issue, variation and redemption of units in the Trust.

As the AFSL holder, MSC will also assume ultimate regulatory responsibility for legally compliant operation of the Trust and will be the principal point of contact for any regulatory aspect of fund operation.

In addition, MSC will provide the following services:

- guidance and input to preparation of trust documentation and variations;
- assistance with preparation of investor communication including regular reporting and trust/investment updates;
- assistance with financial audit (in need, optional only); and
- assistance with compliance audit (in need, optional only).

ACCEPTANCE

The acceptance of this offer represents a commitment by the Fund Manager to proceed on the terms presented. MSC's ability to provide its services is subject to MSC satisfaction as to legal and tax compliant establishment and operation of the Trust.

Your principal MSC contacts will be:

Matt Fletcher
Ph. 03 9639 2900

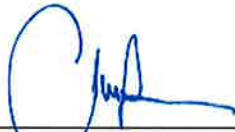
Scott Lillingston
03 9639 3200

James Spencer
Ph. 03 9639 6600

We are delighted to provide this proposal and we are excited at the opportunity to work with you.

Please note the proposal will expire 30 days from the date of issue.

Sincerely



Matthew Fletcher
Managing Director
Melbourne Securities Corporation Ltd

PROPOSAL ACCEPTANCE

This proposal is accepted by:

Signed: _____
Name: _____
Title: _____
Fund Manager: _____

ANNEXURE A – BOARD & COMPLIANCE COMMITTEE

MSC BOARD

Michael Fleming Chairman

Michael Fleming brings 30 years' experience in corporate trustee, internal audit, legal and accounting. His previous roles include as Group Compliance Manager for Equity Trustees covering compliance, risk management, in-house legal counsel and as secretary to the board and management committees. Other roles include corporate trust accountancy for AXA Trustees and contract positions for Avanteos and Ausbil Investment Management. Michael has significant technical knowledge of securities law including ASIC and APRA regulations, as well as commercial development and application of governance, compliance and risk management frameworks, controls and procedures. He has extensive experience acting as a corporate trustee and in the management of litigation and dispute resolution. Michael holds a Bachelor degree in Business (Accounting), a Bachelor of Laws and a Graduate Diploma of Legal Practice.

Matthew Fletcher Managing Director

Matt Fletcher is an experienced financial services professional with a comprehensive background in commercial/corporate property finance and funds management. His previous roles have included senior management positions with Lloyds Banking Group, National Australia Bank (London) and St. George Bank. Matt has served as Managing Director and Key Person of several Australian Financial Services & Australian Credit Licenced businesses and has been actively involved in all facets of retail and wholesale funds management, overseeing product design, advice, distribution, investment selection and management, compliance and strategic corporate management. Matt holds an MBA from the London School of Business & Finance, a Bachelor of Business (Banking & Finance), a Post Graduate Diploma in Applied Finance & Investment and a Diploma in Financial Services (Financial Planning). Matt is a Senior Fellow of Financial Services Institute of Australasia and a Member of Australian Institute of Company Directors.

Andrew Georgiou Director

Andrew Georgiou is a Certified Practicing Accountant and has been a member of Australian Society of Accountants for over 30 years. Prior to serving as the principal accounting officer of the Company, Andrew had performed similar roles for a large number of private and ASX-listed companies, including several Australian Financial Services licensed businesses. He has a wide range of corporate and accounting experience, having been involved in a variety of industries including previous roles with Port Phillip Mills wool processing, Toll Transport and West Coast Railway.

Scott Lillingston Company Secretary & Compliance Manager

Scott Lillingston has extensive experience in the investment management industry focussing on the areas of compliance, investment operations and company secretariat. His previous roles have included positions at Acorn Capital and Antares Capital Partners (formerly known as Portfolio Partners and then Aviva Investors) where he worked for 13 years. Scott was

responsible for Compliance at Acorn Capital and has held various other roles with responsibility for Compliance, Investment Operations and Company Secretariat at Antares Capital. He had also worked at County Investment Management as a Compliance Officer and an Investment Clerk. Scott holds a Bachelor of Commerce and a Bachelor of Laws (Honours) both from Deakin University as well as a Graduate Diploma in Applied Finance and Investment.

MSC COMPLIANCE COMMITTEE & COMPLIANCE OFFICERS

Steven O'Connell Compliance Committee Chair

Steven O'Connell has over 25 years extensive finance industry experience in life insurance, asset management, custodial services, financial planning and superannuation (consulting, administration and trustee services). He has headed the compliance and risk management functions for several large multi-national asset managers. Steven had held company secretary roles for a number of asset managers, headed custodial operations for corporate actions, reconciliations and unlisted trust management and was a key person in the eventual sale of Mellon Australia's superannuation and administration consulting businesses in 2005. He is an experienced director of asset management and finance companies and currently holds roles in Compliance Committees and as Responsible Manager for several leading asset management firms. Steven holds a Bachelor of Business, CPA and AACI accreditation.

Clifford Clayton Compliance Committee

Cliff Clayton is a former Director of Perpetual Trustees Victoria, MacarthurCook Investment Managers, AXA GESP and Coles Group ESP. During a 25 year executive career with the Perpetual Trustees Group, Cliff acquired substantial experience in all aspects of funds management operation and compliance. He has subsequently applied this to the Compliance Committees of a large variety of Australian Financial Services Licensed businesses. Cliff is a co-founder and host of the Compliance Committee Forums seminars in Melbourne, attended by independent compliance committee members, compliance professionals and service providers, with regular presentations by key industry and ASIC representatives. He is an Associate of the Australasian Compliance Institute and a Senior Associate of the Financial Services Institute of Australasia.

James Spencer Compliance Manager

James has experience in both legal & compliance roles across the financial services industry, with a specific focus on investment and regulatory compliance. His previous roles have included positions within the investment department at AustralianSuper, with funds manager Antares Capital Partners (formerly known as Portfolio Partners and then Aviva Investors) and Barclays Capital Investment Bank in the UK. He holds a LLB Bachelor of Laws (Honours) gained in the UK.



BOARD MEETING DATE:

27/07/2017

No 7 Matters for Decision/Discussion

Item: c

Title: R19/17: Renewable Energy

No of Pages. 3 incl Header

18/08/2017

At the 2017 sitting of Synod the following resolution was passed.

R19/17: Renewable Energy

That the Corporate Trustees, AFGD and the Buildings and Property Committee of the Anglican Diocese of Grafton explore investing in renewable energy through the Parishes. This Synod commends a method of doing this would be: at the request of a Parish, providing low interest loans to install Solar or Wind Power, with battery storage, for Rectories.

Chris during his research came across a news article from the Anglican Diocese of Melbourne who already offer – “Green Loans” (refer attached)

I contacted the Manager Andrew Hibbard to discuss their offering:

- The scheme has been in place for 18 months.
- To date they have written 3 or 4 loans from \$5K to \$15K
- Terms range and their policy indicates 10 years – some have been written over 15 years to make it smoother on cash flow.
- Rate is discounted at 0.50% off standard variable Parish Loan rate which currently sits at 5.25%. Therefore their current Green Loan interest rate is 4.75%.
- No real impact on overall cost of funds due to low volumes written.
- He has agreed to send me their application form and checklist.

That being said and without re-inventing the wheel AFGD could quickly establish the following:

Name:	AFGD Renewable Energy Loans
Loan amount	\$1000 to a maximum of 10% of annual turnover (this could be based on three years average turnover)
Maximum Term	15 years
Interest Rate	AFGD Parish Reference Rate less 0.50% - currently 5.05% - 0.50% = 4.55%
Loan Application Fee	Nil
Monthly Loan Admin Charge	Nil



Blaine Fitzgerald
Fund Manager – AFGD.

15.05 - 0.50 =
 * 4.55%

FUTURE DIRECTIONS



ADF GREEN LOANS

ADF is resolved to play its part in enhancing the environmental sustainability of the Diocese through its carbon footprint and new buildings and other assets.

ADF has felt that the best way it can assist parishes and other Anglican entities to pursue this approach is to make finance for green projects readily available at concessionary terms and conditions for parishes and other Anglican entities.

To that end, loans are available for green projects such as LED lighting and solar panels and other energy efficiency enhancing capital expenditure.

Green Loans have these conditions:

- Limit: \$25,000
- Term: 5-10 Years
- Interest Rate: Standard Lending Rate less 0.5% pa.
This would mean current loans are at 4.75% pa.
- Deposit Support: Not Required

St Paul's, North Caulfield (pictured left), have recently obtained a new loan to establish solar panels on the roof of their parish centre extension. They felt that the process was very worthwhile. The 11KW system took just 2-3 days to install said the Churchwarden, Peter Moore. "It kills two birds with one stone. We have lower power bills and it enables us to make a contribution to reducing the Diocese's energy consumption," he said.

If your parish is considering an energy saving project, contact Andrew Hibbard to learn about how an ADF Green Loan can help you achieve your goal.



ST PAUL'S MELBOURNE - A 'GREEN' CATHEDRAL

In 2015 St Paul's Cathedral went "green" by putting further steps in place to develop its sustainability program.

After eighteen months of planning and testing new LED lightglobes, in Winter 2015 the Cathedral introduced sustainable lights throughout St Paul's assisted by a Sustainable Landmarks Grant from the Lord Mayor's Charitable Foundation. The LED globes cut the Cathedral's carbon emissions by a third; they reduced the Cathedral's energy output from 100 watts per globe to 14.5 watts per globe while retaining the same level of light output (or lumens) and the same warm colour. St Paul's anticipates a lifespan of between five to seven years for each light globe, which means

an overall reduction in maintenance costs. The globes use far lower energy outputs which has led to an overall reduction in the Cathedral's carbon footprint by 30%.

According to ADF Manager, Andrew Hibbard, ADF's Green Loans have been inspired by this initiative. "Thanks to the ADF's Green Loans, all parishes now have the opportunity to contribute to an environmentally sustainable future."

Archbishop Philip Freier is urging parishes to take advantage of the Green Loans.

"These loans are a great support to parishes in reducing their carbon footprint and helping to preserve God's creation."



Archbishop Freier and Dean Andreas Loewe.

CONTACT OUR FRIENDLY STAFF WITH ANY ENQUIRIES

We will be pleased to assist you and provide helpful information on our investment accounts on offer and our current interest rates.



Andrew Hibbard
Manager



Julie Sizer
Senior Customer Service Officer



Robyn Jones
Customer Service Officer



Anglican Development Fund
 The Anglican Centre, 209 Flinders Lane
 Reply Paid 70597, Melbourne Vic 3000
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www.adfmelbourne.org.au



BOARD MEETING DATE:

27/07/2017

No 7 Matters for Decision/Discussion

Item: d

Title: St Columba Anglican School

No of Pages. 12 incl Header

Purpose of advices:

- Half yearly rolling review of facilities including the now consolidated results of St Columba Anglican School (SCAS) and Columba Cottage Early Learning Centre (CCELC)
- Review date triggers are 31/3 & 30/9 consistent with Westpac's under Pari Passu requirements.

Events that have occurred over the past 12 to 18 months.

- November 2015 funding lines including the 100% ownership of CCELC were discussed and agreed upon with majority of facilities fixed for 5 years @ 4.98%.
- In March 2016 settlement occurred and SCAS is now the sole operator of CCELC.
- During February 2016 to July 2016 SCAS discussed pushing ahead with the construction of the Performing Arts Centre. Costs circa 8.5M were tabled.
- AFGD could clearly see the benefit to the school with the project albeit the total borrowings were nearing excessive levels circa \$22M on total facilities. With peak actual debt of 20.5M to occur at the height of construction around June 17.
- The finance request was debated at great length at AFGD Board level and after much deliberation declined the funding request.
 - The core reason behind the decision is that AFGD would carry too greater exposure to one key client at 51% of total assets.
 - The impact of RWA (risk weighted assets) outweighed the return.
 - We may have become a price taker losing our negotiating position with key client exposure.
- Our declinal provided an opportunity for SCAS to put the business to the financial market to source a financier to fund the project.
- NAB provided a solution and based on SCAS's review of the proposal wanted to refinance including transactional banking with NAB.
- AFGD made an approach to Westpac who had previously tendered for the business. At a joint meeting with their credit Manager Peter Cleal, Regional Executive Andrew Davis and local Relationship Manager's Brett Kelley from Coffs Harbour and Les Murray from Port Macquarie we pitched the idea of a joint venture funding arrangement under "Pari Passu" .

In simplest terms

- Security and mortgages regardless of when taken rank equally
 - Independent risk assessment undertaken based on total exposure not just each respective parties exposure.
 - Consistent and matching reporting and covenant requirements.
- The proposal was based around AFGD retaining the existing business it has circa \$13M total limits.
 - Westpac to fund new Performing Arts Centre of Excellence – (PACE) \$7.5M Construction finance \$500K fitout.
 - Both assessed and approved the funding. The "Pari Passu" deed that required drafting between all parties solicitors took a little time to get set but once achieved was agreed and signed by all parties.
 - In August 2016 construction commenced on the PACE and is currently drawn to circa \$4M.

Financial Performance:**Financial data:**

The following financial data has been provided to assist:

- Note:** The CCELC acquisition occurred 31/3/16.
Therefore results presented in the 2016 numbers do not represent a full year of operation only 9 months.

2016 SCAS Audited results stand alone
CCELC Audited results stand alone
Consolidated audited results

2017 SCAS council approved operating budget stand alone
CCELC council approved operating budget stand alone.

2017 -2021 SCAS five year rolling forecast stand alone.
CCELC five year rolling forecast.

- Overall trading performance continues to be consistent and ahead of annual budget projections. A result of setting conservative annual budgets.
- All loan Facilities at AFGD & Westpac continue to be maintained within contractual arrangements.
- We have a solid relationship with SCAS and now have historical performance tracked for 7 years.
- Summarised performance has been provided below and I have also attached the full audited statements for detail.

To comply with the underwriting requirements of the Pari Passu agreement a response to each covenant is detailed below:

PACE funding (Westpac)

- **Progress draws to be on a cost to complete basis with QS and School Project Manager authorising/certifying payments.**
- **SCAS to agree to tight controls with no cost overruns on project. Should this occur these are to be funded by SCAS.**

Confirmed:

- Westpac are managing the drawdown and control of loan disbursement on the PACE project.
- As at 31/3/17 facilities have been maintained within Westpac Business Finance Agreement signed by SCAS.

Total Facilities

- **No additional Capex outside budgets presented.**

Confirmed:

- Expenditure is in line with budgets presented.
- AFGD have been provided with a capex budget for the next 36 months with the annual requirement confirmed against budgets presented in March 17.

- **You agree and acknowledge to maintain the following minimum Group loan reductions:-**
- a minimum \$1,000,000 per annum in permanent reduction of School Debts / or line of credit facilities. Confirmation of loan facility reductions to be provided, and to be to the lender's satisfaction
- Columba Cottage Early Learning Centre apportioned debt (presently circa \$3,000,000) to amortise over 10 years from commencement of this agreement.

Confirmed:

- Limit reduction met.
- Further there is an additional \$274K available for re-draw on the CCELC loan. Current amortisation indicates this facility will be cleared in 5 years.

SCAS	31-12-15	31-03-17	Reduction Target Achieved	31-03-17 Balance
Subsidised Loans				
COM 731 436040007 Building Loans 1Ai & 1Aii	\$ 160,000	\$ -		\$ -
COM 731 436040009 Building Loan Stage 2	\$ 340,000 4.73%	\$ 52,871		\$ 52,871
COM 731 436040010 Library Stage 3	\$ 160,000 4.58%	\$ 59,397		\$ 59,397
	\$ 660,000	\$ 112,268	\$ 547,732	\$ 112,268
Subsidised Loans Fixed				
COM 731 436040011 Middle School Stage 4	\$ 805,000 4.98%	\$ 688,358		\$ 688,358
COM 731 436040012 Stage 5	\$ 355,000 4.98%	\$ 296,995		\$ 296,995
COM 731 436040013 Stage 6	\$ 1,000,000 4.98%	\$ 843,056		\$ 843,056
COM 731 436040014 Admin Building Stage 6b.1	\$ 690,000 4.98%	\$ 614,613		\$ 614,613
COM 731 436040015 Building Loan Stage 7	\$ 850,000 4.98%	\$ 768,862		\$ 768,862
	\$ 3,700,000	\$ 3,211,884	\$ 488,116	\$ 3,211,884
Non - subsidised Line of Credit				
COM 735 00040044 4.98% step down	\$ 8,000,000 4.98%	\$ 7,500,000	\$ 500,000	\$ 1,431,961
CCELC				
Fixed				
	\$ 3,100,000 4.98%	\$ 2,806,475	\$ 293,525	\$ 2,532,020
note - includes re-draw funds available				
Performing Arts Centre				
Westpac				
New loan TBA Interest only	\$ 7,500,000	\$ 7,500,000		\$ 3,792,925
Fit out costs - 5 yrs P&I	\$ 600,000	\$ 500,000		\$ -
	\$ 8,000,000	\$ 8,000,000	\$ -	\$ 3,792,925
Indicative only				
Total Facilities - includes OD limit	\$ 23,460,000	\$ 21,630,627	\$ 1,829,373.00	\$ 11,081,058
Maximum Outstandings at any point in time	\$ 20,000,000	\$ 20,000,000		\$ 20,000,000

- Transaction Banking is to remain with Westpac/AFGD as is the case now.

Confirmed: This is occurring.

Half Yearly reviews by 31/3 and 30/9. Specific review requirements are details below.

- Debt/EBITD multiple is to be at all times <5.5x and ongoing, this is on a Group combined ie, SCAS and CCELC basis. This will be tested half yearly on a rolling 12 month basis.
- EBITD/ICR ratio is to be >2.0 times this is also on a Group combined ie, SCAS and CCELC basis. This will be tested half yearly on a rolling 12 month basis.

Confirmed:

- Based on audited results to 31/12 in 2015 & 2016 covenant has been satisfied.
- Note this is based on outstanding debt as per the balance sheet not approved limits.
- It excludes any capital grants income.
- It includes income from subsidised loans and includes full interest cost for the year.

Ratio Analysis	2015	2016	Benchmarks
Return on Investment	7.4%	8.4%	> 5%
Interest Cover (EBITD/Interest)	4.9	7.9	>2 - 2.5
Net Operating Margin	17.5%	18.4%	> 10%
Debt/EBITDA	3.6	3.7	< 5.5x
Debt Service Cover (DSC)	1.78	2.15	1.40 - 2.00%
Loan Value ratio	38.9%	40.5%	< 65%

- Plus any agreed Westpac covenants for alignment under Pari Passu.

Confirmed: All is in order. Westpac have been provided with confirmation of our review completion.

St Columba Anglican School

Date: 15/04/17

Credit Memorandum

SCAS 31/12/2016 audited results stand alone are summarised below:

SCAS (\$000's)	2014 Audited	2015 Audited	2016 Audited	
Student Numbers*	1007	1045	1070	
Staff FTE Teaching	70	81	80	
Non Teaching	30	36	40	
	100	117	120	
Current Assets	\$ 1,131	\$ 1,382	\$ 1,076	
Cash	\$ 794	\$ 1,034	\$ 736	
Trade	\$ 297	\$ 255	\$ 331	
other	\$ 40	\$ 93	\$ 9	
Non-Current Assets	\$ 29,439	\$ 30,522	\$ 34,644	
Investment CCEKC		\$ 663	\$ 1,458	
Property P&E	\$ 29,439	\$ 29,859	\$ 33,186	
Total Assets	\$ 30,570	\$ 31,904	\$ 35,720	
Current Liabilities	\$ 5,166	\$ 3,361	\$ 5,433	
Trade	\$ 399	\$ 468	\$ 1,030	
OD -working capital included below				
Borrowings	\$ 3,193	\$ 1,274	\$ 2,879	
Other	\$ 1,574	\$ 1,619	\$ 1,524	
Non- Current Liabilities	\$ 9,339	\$ 10,293	\$ 8,709	
Borrowings	\$ 8,912	\$ 9,888	\$ 8,264	
other	\$ 427	\$ 405	\$ 445	
Non Interest Loan Diocese				
Net Asset/Total equity	\$ 16,065	\$ 18,250	\$ 21,578	
Net Assets Ex Loans	\$ 28,170	\$ 29,412	\$ 32,721	
Income				
Fees	\$ 5,304	\$ 6,202	\$ 6,428	
Gov Grants	\$ 9,891	\$ 11,163	\$ 11,483	
Capital Grants				
Other Revenue	\$ 466	\$ 848	\$ 700	
Diocesan Support				
Total Revenue	\$ 15,661	\$ 18,213	\$ 18,611	
Expenses				
Staff Costs Teaching	\$ 10,914	\$ 12,454	\$ 12,280	
Staff Costs Non Teaching				
Other staff costs super etc				
Other operating costs	\$ 2,042	\$ 2,579	\$ 3,012	
Depreciation	\$ 316	\$ 340	\$ 333	
Interest	\$ 924	\$ 655	\$ 384	
Total Expenses	\$ 14,196	\$ 16,028	\$ 16,009	
Surplus	\$ 1,465	\$ 2,185	\$ 2,602	
Operating Surplus	\$ 1,465	\$ 2,185	\$ 2,602	
EBIT	\$ 2,389	\$ 2,840	\$ 2,986	
EBITD	\$ 2,705	\$ 3,180	\$ 3,319	
Ratio Analysis				Benchmarks
Return on Investment	5.2%	7.4%	8.0%	> 5%
Interest Cover (EBITD/Interest)	2.9	4.9	8.6	>2.0x
Debt EBITD	4.5	3.5	3.4	< 6.5x
Net Operating Margin	17.3%	17.5%	17.8%	> 10%
Debt per student	\$ 12.0	\$ 10.7	\$ 10.4	<\$10K
Fee income per student	\$ 5.3	\$ 5.9	\$ 6.0	
Teachers Salary per student	\$ 10.8	\$ 11.9	\$ 11.5	
Students/Staff	10.1	8.9	8.9	>11

Date: 15/04/17

Credit Memorandum

Financial Performance - continued

- CCELC 31/12/2016 audited results stand alone are summarised below:

Columba Cottage Early Learning Centre							
Financial Data	Audited Results		Audited results		Audited results		Benchmarks
	2014		2015		2016		
	Joint Venture		Joint Venture		1/4/16 stand alone		
Income							
Room fees	2,618,534		2,744,586		2,322,463		
DEEWR grants	43,161				-		
Wage subsidies	74,975		31,446				
Other	61,194		12,668		52,620		
Total Income	2,797,864		2,788,700		2,375,083		
less expenditure							
Bank charges	3,975		3,670		-		
Depreciation	95,846		109,462		73,856		
Insurance	60,542	2.16%	35,955	1.29%	26,620	1.12%	
Interest Paid							
	AFGD	112,350	4.02%	99,935	3.58%	100,861	4.25%
			0.00%		0.00%		0.00%
Leasing Costs	1,267		1,690		-		
Superannuation	156,131		149,583		-		
Wages	1,684,759	65.80%	1,645,815	64.38%	1,517,378	63.89%	50 - 60%
Other	274,057	9.80%	366,417	13.14%	308,759	13.00%	6 - 10%
Total Expenditure	2,388,927		2,412,527		2,027,474		
Net Profit	408,937	14.62%	376,173	13.49%	347,609	14.64%	15 - 20%
Accumulated P/L begin	362,386		561,315		1,110,411		
Distribution to JV	210,008		160,000				
Accumulated P/L end	561,315		777,488		1,458,020		
EBITDA	617,133	22.06%	585,570	21.00%	522,326	21.99%	25 - 30%
Depreciation	95,846		109,462		73,856		
Interest	112,350		99,935		100,861		
Covenants							
Interest Cover		4.64		4.76		4.45	2 - 2.5%
Debt Service Cover		1.46		1.38		1.23	1.40 - 2.00%

- Note 2016 results represent 9 months of the stand alone venture.
- Prior results are historical from the joint venture agreement between The Corporate Trustees of the Diocese of Grafton and SCAS.

Date: 15/04/17

Credit Memorandum

Financial Performance - continued

- CCELC standalone historical Balance Sheet results to 31/12/2015 are summarised below.

	Audited Results 2014 Joint Venture		Audited results 2015 Joint Venture		Audited results 2016 1/4/16 stand alone	
Current Assets						
Cash	292,315		313,323		265,722	
Trade	17,786		26,251		57,652	
other			6,000		444	
	310,101	11.22%	345,574	12.20%	323,818	7.21%
Non Current Assets						
Land and Buildings	2,349,345		2,487,741		2,500,643	
Intangible	103,459		-		1,667,347	
	2,452,804	88.78%	2,487,741	87.80%	4,167,990	92.79%
Total Assets	2,762,905		2,833,315		4,491,808	
Current Liabilities						
Trade	107,238		96,655		57,839	
Borrowings	287,454		287,454		392,402	
Provisions	45,146		48,461		105,611	
Other	16,256		53,128		191,727	
	456,094	21.20%	485,698	30.00%	747,579	24.64%
Non Current Liabilities						
Trade	386,687		-		-	
Borrowings	1,283,239		1,096,925		2,286,209	
Long term Provisions	25,570		36,516		-	
	1,695,496	78.80%	1,133,441	70.00%	2,286,209	75.36%
Total Liabilities	2,151,590		1,619,139		3,033,788	
Net Assets	611,315		1,214,176		1,458,020	
Equity						
Reserves	50,000		50,000		1,110,411	
CTS	280,658		388,744		-	
SCAS	280,657		388,744		-	
Accumulated P/L	386,687		386,687		347,609	
Total Equity	998,002		1,214,175		1,458,020	
Borrowings Total	1,570,693		1,384,379		2,678,611	
Going Concern Valuation	4,110,000		4,110,000		4,110,000	
Covenants						
Gearing	1.57		1.14		1.84	
Debt/EBITDA	2.55		2.36		5.13	
LVR	38%		34%		65%	

Date: 15/04/17
 Credit Memorandum
 Financial Performance – continued

Consolidate audited results to 31/12/16

	2015 audited results	2016 audited results
Student Numbers*	1046	1070
Staff FTE Teaching	81	80
Non Teaching	36	40
	117	120
Consolidated Balance Sheet		
Current Assets		
Cash & Cash Equivalents	1,034,039	1,002,218
Trade & Other Receivables	255,510	388,264
Investments	-	-
Other	92,719	9,624
Total Current Assets	1,382,268	1,400,106
Non-Current Assets		
Investments	662,778	1,263,179
PPE	29,858,937	35,687,051
Total Non-current Assets	30,521,715	36,950,230
Total Assets	31,903,983	38,350,336
Current Liabilities		
Trade & Other Payables	467,706	1,087,728
Borrowings	1,273,693	1,460,933
Provisions	966,996	1,053,854
Other	652,542	767,646
Total Current Liabilities	3,360,937	4,370,161
Non-Current Liabilities		
Borrowings	9,888,306	12,360,440
Provisions	266,924	353,365
Other	137,709	91,813
Total Non-current liabilities	10,292,939	12,805,618
Total Liabilities	13,653,876	17,175,779
Reservies	14,990,875	18,225,107
Retained Surplus	3,259,232	2,949,450
Total equity	18,250,107	21,174,567
Net Assets Ex Loans	29,412,106	34,996,930

Revenue		
Tuition Fees	6,202,211	6,428,334
Fees received CCELC		2,322,463
Government Funding	11,162,376	11,513,381
Other Income	848,463	631,994
Total Revenue	18,213,050	20,896,172
Expenses		
Depreciation	340,476	406,758
Salary & On-costs	12,453,616	13,797,830
Insurance	121,551	148,751
Interest	655,107	485,300
Property R&M	512,185	590,556
Tuition consumables	1,205,960	1,138,665
Other Expenses	739,173	1,378,862
Total Expenses	16,028,068	17,946,722
Net Operating Surplus	2,184,982	2,949,450
EBIT	2,840,089	3,434,750
EBITDA	3,180,565	3,841,508

Ratio Analysis	2015	2016	Benchmarks
Return on Investment	7.4%	8.4%	> 5%
Interest Cover (EBITD/Interest)	4.9	7.9	≥ 2 - 2.5
Net Operating Margin	17.5%	18.4%	> 10%
Debt/EBITDA	3.8	3.7	< 5.5x
Debt Service Cover (DSC)	1.78	2.11	1.40 - 2.00%
Loan Value ratio	38.9%	40.5%	< 65%

This has been calculated based on a consolidated basis.

		Audited results		Audited results	
Capacity to pay		2015		2016	
SCAS					
Surplus			2185		2949
Plus addbacks					
Depreciation			340		407
Interest			655		485
Other Loan capital repayments			0		0
Consolidated position			\$ 3,181		\$ 3,842

		Int Rate	Loan expiry date	Repayments	Repayments
Subsidised Loans		Fixed til expiry			
COM 731 436040007 Building Loans 1Ai & 1Aii	\$ -	4.73%	02-10-16	\$ -	\$ -
COM 731 436040009 Building Loan Stage 2	\$ 52,871	4.73%	02-08-17	\$ 53	\$ 53
COM 731 436040010 Library Stage 3	\$ 59,397	4.58%	02-03-18	\$ 59	\$ 59
	\$ 112,268				
Subsidised Loans Fixed		5Yr Fixed			
COM 731 436040011 Middle School Stage 4	\$ 688,358	4.98%	02-05-23	\$ 131	\$ 131
COM 731 436040012 Stage 5	\$ 296,995	4.98%	02-11-23	\$ 55	\$ 55
COM 731 436040013 Stage 6	\$ 843,056	4.98%	02-03-24	\$ 149	\$ 149
COM 731 436040014 Admin Building Stage 6b.1	\$ 614,613	4.98%	02-01-27	\$ 83	\$ 83
COM 731 436040015 Building Loan Stage 7	\$ 768,862	4.98%	02-01-28	\$ 95	\$ 95
	\$ 3,211,884				
Non - subsidised Line of Credit		5Yr Fixed			
COM 735 00040044	\$ 7,500,000	4.98%	30-11-20	\$ 224	\$ 224
* Based on 50% usage yr1 then reduce by 5%					
CCELC					
Fixed		5Yr Fixed			
New Loan TBA Principal and interest loan	\$ 2,806,475	4.98%	02-12-20	\$ 395	\$ 395
Performing Arts Centre - Westpac					
Fixed Interest only		5Yr Fixed			
Interest only Tranche 1	\$ 5,000,000	5.56%	30-06-22	\$ 278	\$ 278
Int on;y Variable	\$ 2,300,000	5.23%	30-06-22	\$ 120	\$ 120
Fit out costs - 5 yrs P&I	\$ 500,000	5.09%	30-06-20	\$ 180	\$ 180
	\$ 7,800,000				
Indicative only					
Total Facilities - includes OD	\$ 21,430,627			\$ 1,822	\$ 1,822
Consolidated position Surplus/deficit				\$ 1,359	\$ 2,020

- Capacity to service is clearly evident.
- The school have interest rate risk well managed with AFGD's circa \$13M @ 4.98% maturing December 2020 and Westpac's at \$5M @ 5.56% maturing June 2022.
- Sensitising calculation with an additional 1.5% results in a continued positive capacity to service.

Date: 15/04/17

Credit Memorandum

Security/Safety Assessment position:

- Risk Grade adopted for the group 5C –89% cover.
- All facilities with AFGD and Westpac have been maintained within contractual arrangements
- Overall relationship with the school is sound.
- Position is considered absolute maximum debt worse case position.
- Security safety assessment is based on total asset value of the consolidated results.
- As at 31/12/16 the valuation would not take into effect the full value of the new PAC.

SCAS consolidated Security Assessment sheet as at 31/12/2016			
Description	Status	FMV	Extension Ratio XTV
Registered Mortgage over the property situated at 3 Iona Avenue, Port Macquarie, NSW 2444 Folio 581/75434 Lot 581 in deposited plan 754434 at Hastings Valuation date 1/10/2014 Prepared by Opteon Property Group Purpose Market Value (excludes PAC)	Held	\$38,000,000	50% 19,000,000
Registered Mortgage over the property situated at 1 Iona Avenue, Port Macquarie, NSW 2444 Folio 101/1134660 Lot 101 in deposited plan 1134660 at Port Macquarie Valuation date 15/06/2015 Prepared by Opteon Property Group Purpose Market Value of the child care centre on WIWO basis.	Held	\$ 4,113,000	
Registered fixed and floating charge (ie: equitable mortgage) over the school's assets This also encompasses CCELC acquisition as entity is the same)	Held		
Pari Passu Deed between St Columba Anglican School Council Incorporated ABN 42 149 714 015 Westpac Banking Corporation ABN 33 007 457 141 and The Corporate Trustees of the Diocese of Grafton ABN 88 144 942 068.	Held		
Total Security Value		38,000,000	50% 19,000,000
Less facilities			
AFGD			13,631,000
Westpac			7,800,000
Margin/Shortfall	Cover		89% - 2,431,000

	Risk Grade	Security Cover indicator	
State Government	2	B	100% - 124% Cover
Local Government	3	C	80% - 99% Cover
Very Strong Corporate entity	4	D	60% - 79% Cover
Solid Corporate entity	5	E	40% - 59% Cover
Emerging Corporate entity	6	F	20% - 39% Cover
High Risk Corporate entity	7	G	0% - 19% Cover

St Columba Anglican School

Date: 15/04/17

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Credit Memorandum

Insurance Confirmation:

- Diocese office has confirmed insurance cover covering the period to October 17 is in place.

Location Name	Street Name	Suburb	Postcode	Comments	Buildings Value	Contents Value	Spec Items Value	Total Property Value
St Columba Anglican School	Major Innes f Pt Macquarie		2444	Nosworthy E	767,324	100,000		867,324
				Jones Buildir				
	Major Innes f Pt Macquarie		2444		1,190,245	175,000	-	1,365,245
	Major Innes f Pt Macquarie		2444	Barrett Buildi	2,575,700	450,000	51,500	3,077,200
	Major Innes f Pt Macquarie		2444	Daw son Hut	1,914,904	510,000	-	2,424,904
	Major Innes f Pt Macquarie		2444	Rogers Build	1,529,890	200,000	-	1,729,890
	Major Innes f Pt Macquarie		2444	Rogers Exter	892,238	100,000	-	992,238
	Major Innes f Pt Macquarie		2444	Deutschbein	2,148,292	175,000	-	2,323,292
	Major Innes f Pt Macquarie		2444	Canteen - Cæ	363,384	130,000	-	493,384
	Major Innes f Pt Macquarie		2444	McArthur Bu	2,184,197	206,000	-	2,390,197
	Major Innes f Pt Macquarie		2444	Pitt Building	1,488,252	275,000	-	1,763,252
	Major Innes f Pt Macquarie		2444	Iona Centre	3,098,498	200,000	-	3,298,498
	Major Innes f Pt Macquarie		2444	Sid Hopkins -	1,631,010	350,000	98,319	2,079,329
	Major Innes f Pt Macquarie		2444	Trade Trainir	695,945	154,500	-	850,445
	Major Innes f Pt Macquarie		2444	Trade Trainir	2,005,101	154,500	-	2,159,601
	Major Innes f Pt Macquarie		2444	Jenkins Build	1,059,870	95,000	-	1,154,870
	Major Innes f Pt Macquarie		2444	Phillips Buildi	908,460	95,000	-	1,003,460
	Major Innes f Pt Macquarie		2444	Maintenance	70,081	110,000	-	180,081
	Major Innes f Pt Macquarie		2444	COLA	108,150	-	-	108,150
	Major Innes f Pt Macquarie		2444	Cafeteria Co	216,300	-	-	216,300
Major Innes f Pt Macquarie		2444	Rogers Cour	162,225	-	-	162,225	
Major Innes f Pt Macquarie		2444	Ampitheatre	108,150	-	-	108,150	
Major Innes f Pt Macquarie		2444	Columba Cot	129,780	15,450	-	145,230	
				Business intr	-	-	-	
					25,247,996	3,495,450	149,819	28,893,265
Columba Cottage Early Learning Centre	Major Innes f Pt Macquarie		2444	Buildings & c	2,760,596	350,000	-	3,110,596
				Business Intr	-	-	-	
					2,760,596	350,000	-	3,110,596
								32,003,861

Covenants/ongoing monitoring requirements:

OTHER - covenants of funding

PACE funding (Westpac)

- Progress draws to be on a cost to complete basis with QS and School Project Manager authorising/certifying payments.
- SCAS to agree to tight controls with no cost overruns on project. Should this occur these are to be funded by SCAS.

Total Facilities (AFGD and Westpac)

- No additional Capex outside budgets presented.
- You agree and acknowledge to maintain the following minimum Group loan reductions:-
 - a minimum \$1,000,000 per annum in permanent reduction of School Debts / or line of credit facilities. Confirmation of loan facility reductions to be provided, and to be to the lender's satisfaction
 - Columba Cottage Early Learning Centre apportioned debt (presently circa \$3,000,000) to amortise over 10 years from commencement of this agreement.
- Transaction Banking is to remain with Westpac/AFGD as is the case now.

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- Half Yearly reviews by 31/3 and 30/9. Specific review requirements are details below.
- Debt/EBIT multiple is to be at all times <5.5x and ongoing, this is on a Group combined ie, SCAS and CCELC basis. This will be tested half yearly on a rolling 12 month basis.
- EBIT/ICR ratio is to be >2.0 times this is also on a Group combined ie, SCAS and CCELC basis. This will be tested half yearly on a rolling 12 month basis.
- Plus any agreed Westpac covenants for alignment under Pari Passu.

Further conditions:

- "the Bishop-in-Council will not approve the application of church trust property to a first call mortgage by an external financial provider unless Anglican Funds Grafton Diocese is unable or unwilling to provide finance."
Approval obtained for joint funding proposal. Refer to correspondence dated 7th June 2016.
- "by the end of 2014 all Diocesan organisations will be required to conduct transactional banking with Anglican Funds Grafton Diocese unless authorised to bank with an external financial provider by the Bishop -in -Council"
Approval obtained for joint funding proposal. Refer to correspondence dated 7th June 2016.

Recommendation

- Approval of half yearly review as at 31/3/2017 and extend for a further term to 30/9/2017.



Blaine Fitzgerald
Fund Manager – Anglican Funds Grafton Diocese



BOARD MEETING DATE:

27/07/2017

No 7 Matters for Decision/Discussion

Item: e

Title: Emmanuel Anglican College

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Purpose of advices

- Based on historical review performance EAC's annual review was due as at 31/05/2017.
- The half yearly review triggers are
 - 30/9 – with the benefit of 30/6 Management results and
 - 31/3 – with the benefit of audited results to 31/12. To be completed by 31/5 annually.

History/Background

The school has been operating now for approximately 15 years and has grown over time to its current level with some challenges along the way particularly around the GFC when student numbers morale and financial performance all suffered.

Since October 2012 AFGD have been in been working closely with the school. The current relationship appears to be solid and positive.

The school continues to prosper with a positive culture under the leadership of Rob Tobias.

Financially the school is well supported by the skills of its Business Manager Kelley Malaba and administrative support staff.

Update on recent events.

Construction of the new junior learning spaces and staff faculty area was completed during 2016 with AFGD providing \$2.5M in funding.

During November 16 the school commenced negotiations with AFGD on re-structuring its facilities. It had non- subsidised debt circa \$3.1M that it was amortising over a 10 year period and was confident with known cash flows if they converted it to a line of credit it would reduce interest costs and clear the debt within 6 years.

The re-structure including repricing the book was completed in readiness for the 2017 school year.

The school in early 2017 advised they would be make an application to BGA for additional learning spaces and to support the application would require an expression of interest from AFGD to fund \$1.5M. A letter of support from AFGD was provided. The outcome will be known by September 17 and if successful construction will commence in Jan/Feb 18.

Financial data update:

- All financial data required to date has been received by AFGD.
 - 31/12/2016 audited results held
 - 5 yr rolling forecast from 2017 to 2021 held.

Date: 16/06/2017

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Credit Memorandum

Financial Performance Summary:

(\$000's)	2014 Audited	2015 Audited	2016 Audited	
Student Numbers*	480	545	559	
Staff FTE*	36	38	38	
Non Teaching	12	14	14	
Current Assets	\$ 1,099	\$ 1,459	\$ 2,207	
Cash	\$ 999	\$ 1,355	\$ 1,812	
Trade	\$ 89	\$ 102	\$ 395	
other	\$ 11	\$ 2	\$ -	
Non-Current Assets	\$ 11,874	\$ 12,164	\$ 15,698	
Property P&E	\$ 11,874	\$ 12,164	\$ 15,698	
Total Assets	\$ 12,973	\$ 13,623	\$ 17,905	
Current Liabilities	\$ 1,124	\$ 1,108	\$ 1,144	
Trade	\$ 339	\$ 303	\$ 412	
Borrowings	\$ 305	\$ 254	\$ 214	
Other	\$ 480	\$ 551	\$ 518	
Non- Current Liabilities	\$ 5,515	\$ 5,336	\$ 7,640	
Borrowings	\$ 5,164	\$ 4,908	\$ 7,188	
other	\$ 351	\$ 428	\$ 452	
Non Interest Loan Diocese				
Net Asset/Total equity	\$ 6,334	\$ 7,179	\$ 9,121	
Net Assets Ex Loans	\$ 11,803	\$ 12,341	\$ 16,523	
Income				
Fees	\$ 2,419	\$ 2,831	\$ 2,772	
Gov Grants	\$ 5,008	\$ 5,839	\$ 6,100	
Govt Subsidy - Interest on borrowings				
Capital Grants	\$ -	\$ 50	\$ 850	
Commercial Operations (ELC)	\$ 735	\$ 840	\$ 935	
Interest Income	\$ 42	\$ 39	\$ 29	
Other Revenue	\$ 161	\$ 223	\$ 431	
Diocesan Support - Donations				
Total Revenue	\$ 8,365	\$ 9,822	\$ 11,117	
Expenses				
Staff Costs Teaching	\$ 5,056	\$ 5,202	\$ 5,795	
Staff Costs Non Teaching				
Other staff costs super etc	\$ 465	\$ 624	\$ 692	
Other operating costs	\$ 1,631	\$ 2,170	\$ 1,953	
Depreciation	\$ 495	\$ 533	\$ 577	
Interest & leasing charges	\$ 440	\$ 409	\$ 449	
Total Expenses	\$ 8,087	\$ 8,938	\$ 9,466	
Surplus	\$ 278	\$ 884	\$ 1,651	
Operating Surplus	\$ 278	\$ 834	\$ 801	
EBIT	\$ 718	\$ 1,243	\$ 1,250	
EBITD	\$ 1,213	\$ 1,776	\$ 1,827	
Ratio Analysis				Benchmarks
Return on Investment	2.4%	6.8%	4.8%	> 5%
Interest Cover (EBITDA/Interest)	2.8	4.3	4.1	>2.0x
Debt EBITDA	4.3	2.8	3.9	< 6.5x
Net Operating Margin	16.0%	20.0%	19.6%	> 10%
Debt per student	\$ 11.4	\$ 9.5	\$ 13.2	<\$10K
Fee income per student	\$ 5.0	\$ 5.2	\$ 5.0	\$8K
Teachers Salary per student	\$ 10.5	\$ 9.5	\$ 11.6	
Students/Staff	10.0	10.5	10.8	>11

Date: 16/06/2017

Credit Memorandum

Financial Performance Summary:

2016 Audited results:

Balance Sheet:

Current Assets:

Cash at Bank increased on prior year a result of an increase in retained earnings which will be utilised for debt reduction minor and major capital works in 2017 and construction cost in 2018.

Non-Current Assets:

Consist primarily of land & buildings & plant and equipment at it's written down value net of depreciation.

The increase from 2015 to 2016 is a result on the construction undertake in 2016.

Current Liabilities:

Consist of current AFGD borrowings and creditors.

Non-current Liabilities:

Consist of non-current AFGD borrowings and employee benefits provisioning.

Total Equity:

Continues to strengthen from an increase in retained earnings.

Profit and loss:

Income and expenses continue to be well managed.

Capital grant income has been ignored for all ratio analysis as it is not considered core income.

Loan portfolio continues to reduce in terms of arrangements entered into with AFGD.

Ratio analysis:

In comparison to the Somerset benchmarking the position of EAC for a regional school is quite sound.

Debt per student utilising historical results has been trending downwards to the end of 2015. The spike in 2016 was a result of construction finance of \$2.5M.

Credit Memorandum

Capacity to service/repay

Capacity to pay	2010 Audited	2011 Audited	2012 Audited	2014 Audited	2014 Audited	2015 Audited	2016 Audited		
Operating surplus	-\$ 261	-\$ 135	\$ 225	\$ 1,056	\$ 278	\$ 834	\$ 801	\$ -	
Plus addbacks									
Depreciation	\$ 370	\$ 415	\$ 393	\$ 405	\$ 495	\$ 533	\$ 577	\$ -	
Interest	\$ 669	\$ 615	\$ 550	\$ 430	\$ 440	\$ 409	\$ 449	\$ -	
Other - Loss on sale NCA - demountable write off gifted to CVAS						\$ 137			
	\$ 778	\$ 895	\$ 1,168	\$ 1,891	\$ 1,213	\$ 1,913	\$ 1,827	\$ -	
Less Commitments									
OD - pay out residual non sub and provides working capital - 60% usage	\$ 3,100,000	71	71	71	71	71	71	71	Rate 3.79%
Building Loan 436040018 - principal	\$ -	58	58	58	58				line fee 0.75%
Interest		4	4	4	4				
Stage 2 Building Loan 436040019 - P	\$ 230,781	44	44	44	44	44	44	44	5.41%
Interest		24	24	24	24	16	16	16	
Stage 3 Building Loan 436040020 - P	\$ 161,514	24	24	24	24	24	24	24	5.41%
Interest		16	16	16	16	11	11	11	
Stage 4 Building Loan 436040021 - P	\$ 1,371,433	73	73	73	73	75	75	75	5.41%
Interest		105	105	105	105	84	84	84	
New Loan Int only 12 mths then P&I	\$ 2,453,753					114	114	114	5.56%
OFI - Finance & Leasing charges	\$ 10,860					143	143	143	
						11	11	11	
									annual capital repayments 268
									annual interest commitment 254
	7,328,341	419	419	419	419	616	616	616	
Net Surplus/Deficit	\$ 359	\$ 476	\$ 749	\$ 1,472	\$ 597	\$ 1,297	\$ 1,211		
Total Finance Commitments	8,000,000	890	890	890	890	890	890	890	
sensitised Average rate of 7.50% 15yrs									
Net Surplus/Deficit	-\$ 112	\$ 5	\$ 278	\$ 1,001	\$ 323	\$ 1,023	\$ 937		

Comments:

- Capacity to service is evident on a historical basis to 31/12/2016.

Security/Safety Assessment**Security Assessment sheet - Current position**

Description	Status	FMV	Extension Ratio	XTV
First Registered Mortgage over the property situated at Ballina Lot 10 In Deposited Plan 1001995 Folio 10/1001995 given by - Emmanuel Anglican College Council	Held	17,905,131	50%	8,952,566

Registered fixed and floating charge **Held**
(ie: equitable mortgage) over the school's assets

Based on 30/06/2016 Audited financial results conservative valuation would appear to be
Total Land & Buildings at written down value
Given the limited alternate use and the likelihood of ever realising on this asset it would be considered
a special purpose asset and would have a conservative extended value for
risk assessment of 50%. Ie 8,952,566

Total Limits AFGD - \$7,324,000 as at June 2017

119% cover security indicator B to apply.

- Position has improved and the school is now in a fully secured position.
- This is a result of an increase in assets – buildings and retained earnings- profitability.

Risk Grade:

- Risk Grade adopted for the group 5B 119% cover.

Risk Grade Tool	Customer Credit Rating	Security Indicator	
Australian Government	1	A	125% + Cover
State Government	2	B	100% - 124% Cover
Local Government	3	C	80% - 99% Cover
Very Strong Corporate entity	4	D	60% - 79% Cover
Solid Corporate entity	5	E	40% - 59% Cover
Developing Corporate entity	6	F	20% - 39% Cover
High Risk Corporate entity	7	G	0% - 19% Cover

Insurance Confirmation:

Emmanuel Anglican College		2017			Buildings Value	Contents Value	Total Property Value
Location Name	Street Name	Suburb	Postcode	Comments			
Emmanuel Anglican College	Horizon	Ballina	2478	Stage 1	\$ 3,500,000	\$ 449,500	\$ 3,949,500
	Horizon	Ballina	2478	Stage 2	\$ 3,100,000	\$ 335,000	\$ 3,435,000
	Horizon	Ballina	2478	Stage 3	\$ 1,235,463	\$ 130,000	\$ 1,365,463
	Horizon	Ballina	2478	Stage 4	\$ 4,000,000	\$ 505,000	\$ 4,505,000
	Horizon	Ballina	2478	Library	\$ 2,130,000	\$ 318,000	\$ 2,448,000
	Horizon	Ballina	2478	The Ezzy Centre	\$ 1,630,000	\$ 500,000	\$ 2,130,000
	Horizon	Ballina	2478	Shade Areas & Sheds	\$ 200,000	\$ 100,000	\$ 300,000
	Horizon	Ballina	2478	Transportable Building (D Bk	\$ 320,000	\$ 60,000	\$ 380,000
	Horizon	Ballina	2478	The Emmanuel Building	\$ 1,600,000	\$ 100,000	\$ 1,700,000
	Horizon	Ballina	2478	Discovery Centre	\$ 2,800,000	\$ 200,000	\$ 3,000,000
				Business interruption			
					20,515,463	2,697,500	23,212,963

- Sufficient cover appears to be in place.
- The 2017 schedule completed by the school for ANIP includes the new buildings completed in 2016.

Covenants/ongoing monitoring requirements:

- The Borrower will be required to furnish the AFGD with half yearly report on its financial position. ie 31/3, & 30/09 by the 15th of the following month. A copy of the EAC management's financial/operational monthly report to school council will normally suffice.
- Annual review for continuation of facilities will be due by 31 May yearly and the following will be required to enable this to be completed
 - Annual Audited financial statements as at 31/12 (next being 31/12/2017)
 - rolling 5 year budget and cash flow forecast for all facilities covering buildings, staffing levels, student numbers and working capital requirements (already held)
 - any other information as the AFGD deems appropriate
- All new bank loans or credit facilities to third parties to be approved by AFGD. Consent not to be unreasonably withheld.
- No other financial institution or lender to be added to mortgage or security documents without prior consent from AFGD. Consent not to be unreasonably withheld.

Recommendation

- Approval of
 - Extension of annual review for a further period to 31/5/2018.
 - Extension of interim review for a further period to 31/10/2017.



Blaine Fitzgerald
Manager – Anglican Funds Grafton Diocese



BOARD MEETING DATE:

27/07/2017

No 7 Matters for Decision/Discussion

Item: f

Title: Clarence Valley Anglican School

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Purpose of advices:

- **Completion of half yearly review to 30/04/2017 with the benefit of 31/12/16 audited results.**

History/Background

History and correspondence relating to this group is well discussed and documented with the Diocese.

Significant changes that have occurred at the school over the past 12 to 18 months:

In 2016

- New Principal Martin Oates has been in the role since August 2016.
- New classrooms relocated from EAC 3/8/2016.
- Business Manager Maree Cook was able to catch up on some long overdue annual leave – reducing accruals on the balance sheet.
- Extension of the Deed of subordination unchanged until 30/06/2021.
- The existing Deed of gift and indemnity continued without change.
- Reduction in student numbers by around 40. Reasons vary, however a large proportion were no fee paying students whose families were asked to find another school.
- Late 2016 the school reported issues with its census numbers putting additional strain on its working capital position as the government clawed back the overpayment.
- Father Donald Kirk resigned as school Chair as he was relocating to Victoria.
- David Mulvaney who was a recently appointed Board member was elected to position of Chair.

In 2017

- Start point on approved budget of 319 students has not eventuated with current numbers sitting around 305.
- This again is putting strain on working capital and the leadership team and the school board has held meetings with the Diocese, AFGD and Diocesan Schools Commission for two reasons:
 - keeping stakeholders fully informed;
 - seeking guidance and assistance.
- BGA grant was approved for a new ablution block at the senior campus. The school is contributing \$32K with the government contributing \$340K. Completion is anticipated mid term 4.
- TAS software upgrade has commenced. This software will now be consistent with the other 4 schools in the Diocese, which may assist succession planning and support.
- Newly appointed Chair, David Mulvaney has accepted a new role in Brisbane and tendered his resignation as Chair of CVAS.
- Long serving Business Manager of the school – Maree Cook has also resigned. Her last day is 7/7/17.
- Business continuity plan pending these changes have been agreed and Maree met with me 27/6/17 to bring me up to date.
 - Day to day including receipts/payments and payroll will be done by Hayley Lewis.
 - The management of the BGA grant and construction will be done by Robyn Vicary.
 - Phil Bonser Diocesan Schools Commission will oversee Chair position as well as high level strategic direction in consultation with the Board and Management.
 - Financial reporting including monthly management accounts for the Board is unknown at present.
- Phil Bonser has met with me and provided his initial thoughts on next steps, including a request that I provide assistance on a consultancy basis on observations on financial performance and use of cash flow.

Financial Performance Summary as at 31/12/2016:

The Balance Sheet for 2016 remained reasonably stable.

Current assets

- consist of cash at bank and trade debtors.

Non-current assets

- Consist of the written down value of land & buildings and plant & equipment.

Current Liabilities

- Consist of trade creditors, provisions and current portion of loans and borrowings.

Non-current liabilities

- Consist of provisions but mainly long term debt including the subordinated debt with the Diocese.
- Loan facilities both current and non-current continued to reduce in line with expectations.
- The subordinated loan remained unchanged at \$6,572,191 and has now been extended to 30/06/2021.

The Profit and Loss Statement for 2016.

The Profit & Loss for the year whilst below budget expectations again was disappointing.

Income:

- Government funding and fee income is down on prior year a direct result of student number reductions and census correction.
- There is also a one off non-recurring benefit of \$575K this is the land transfer component from Ted & Peggy Clarke.
- Accounting for it in this method makes the income and profit position look better than what it actually is.
- Stripping out non-core income and capital grant income has resulted in adjusted trading result over the past three years of
 - **2014 Deficit \$94K**
 - **2015 Deficit \$118K**
 - **2016 Deficit \$263K**
- These operating deficits are being carried forward each year in the overdraft putting strain on working capital position each year.
- The reality is that without more students the school will continue to struggle.

Expenses:

- Overall expenses continue to be well managed and conservative.
- There is simply no scope in the budget for blows outs in expenses.
- Wages and staffing costs remain the single biggest expense line.

Clarence Valley Anglican School (CVAS)

Date: 27 June 2017

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Credit Memorandum

Financial Performance Summary - cont'd 7 Years audited results – historical performance to 31/12/16

(S'000's)	2010 Audited	2011 Audited	2012 Audited	2013 Audited	2014 Audited	2015 Audited	2016 Audited	
Student Numbers*	305	305	346	367	367	326	308	
Staff FTE*	32	32	30	28	28	28	28	
Non Teaching				13	13	14	14	
Current Assets	\$ 266	\$ 220	\$ 223	\$ 238	\$ 278	\$ 369	\$ 261	
Cash	\$ 107	\$ 58	\$ 69	\$ 42	\$ 76	\$ 102	\$ 83	
Trade	\$ 77	\$ 83	\$ 75	\$ 99	\$ 104	\$ 135	\$ 118	
other	\$ 82	\$ 79	\$ 79	\$ 97	\$ 98	\$ 132	\$ 60	
Non-Current Assets	\$ 6,288	\$ 6,170	\$ 5,893	\$ 5,815	\$ 5,744	\$ 5,583	\$ 6,116	
Property P&E	\$ 6,288	\$ 6,170	\$ 5,893	\$ 5,815	\$ 5,744	\$ 5,583	\$ 6,116	
Total Assets	\$ 6,554	\$ 6,390	\$ 6,116	\$ 6,053	\$ 6,022	\$ 5,952	\$ 6,377	
Current Liabilities	\$ 313	\$ 528	\$ 562	\$ 634	\$ 721	\$ 1,009	\$ 953	
Trade	\$ 216	\$ 294	\$ 228	\$ 276	\$ 274	\$ 488	\$ 422	
Borrowings	\$ -	\$ 167	\$ 167	\$ 167	\$ 216	\$ 216	\$ 214	
Other	\$ 97	\$ 67	\$ 167	\$ 191	\$ 231	\$ 305	\$ 317	
Non- Current Liabilities	\$ 10,528	\$ 10,710	\$ 10,221	\$ 9,811	\$ 9,787	\$ 9,409	\$ 9,329	
Borrowings	\$ 3,826	\$ 3,957	\$ 3,499	\$ 3,054	\$ 3,077	\$ 2,757	\$ 2,674	
Borrowings subordinated other	\$ 6,572 \$ 130	\$ 6,572 \$ 181	\$ 6,572 \$ 150	\$ 6,572 \$ 185	\$ 6,572 \$ 138	\$ 6,572 \$ 80	\$ 6,572 \$ 83	
Non Interest Loan Diocese								
Net Asset/Total equity	-\$ 4,287	-\$ 4,848	-\$ 4,667	-\$ 4,392	-\$ 4,486	-\$ 4,466	-\$ 3,905	
Net Assets Ex Loans	\$ 6,424	\$ 6,209	\$ 5,966	\$ 5,868	\$ 5,884	\$ 5,872	\$ 6,294	
Income								
Fees	\$ 1,063	\$ 1,156	\$ 1,325	\$ 1,531	\$ 1,618	\$ 1,634	\$ 1,446	
Gov Grants	\$ 3,164	\$ 3,054	\$ 3,524	\$ 3,977	\$ 3,948	\$ 4,190	\$ 3,844	
Capital Grants							\$ 250	
Other Revenue	\$ 209	\$ 196	\$ 263	\$ 318	\$ 270	\$ 292	\$ 200	
Diocesan Support	\$ 1,399	\$ 114	\$ 5	\$ 4	\$ 1	\$ 137	\$ 575	
Total Revenue	\$ 5,836	\$ 4,292	\$ 5,117	\$ 5,830	\$ 5,837	\$ 6,263	\$ 6,316	
Expenses								
Staff Costs Teaching	\$ 2,378	\$ 2,444	\$ 2,820	\$ 3,340	\$ 3,738	\$ 4,069	\$ 3,704	
Staff Costs Non Teaching								
Other staff costs super etc	\$ 220	\$ 228	\$ 258	\$ 305	\$ 336	\$ 366	\$ 339	
Other operating costs	\$ 1,189	\$ 1,084	\$ 1,187	\$ 1,414	\$ 1,337	\$ 1,294	\$ 1,242	
Depreciation	\$ 316	\$ 323	\$ 305	\$ 291	\$ 305	\$ 303	\$ 297	
Interest	\$ 1,021	\$ 771	\$ 368	\$ 232	\$ 214	\$ 202	\$ 171	
Total Expenses	\$ 5,124	\$ 4,850	\$ 4,938	\$ 5,582	\$ 5,930	\$ 6,234	\$ 5,753	
Surplus	\$ 711	-\$ 558	\$ 179	\$ 248	\$ 93	\$ 19	\$ 562	
Operating Surplus	-\$ 688	-\$ 444	\$ 174	\$ 244	-\$ 94	-\$ 118	\$ 263	
EBIT	\$ 333	\$ 327	\$ 542	\$ 476	\$ 120	\$ 84	\$ 92	
EBITD	\$ 649	\$ 650	\$ 847	\$ 767	\$ 425	\$ 387	\$ 205	
Ratio Analysis								Benchmarks
Return on Investment	-10.7%	-7.2%	2.9%	4.2%	-1.8%	-2.0%	-4.2%	> 5%
Interest Cover (EBITD/Interest)	0.6	0.8	2.3	3.3	2.0	1.9	1.2	>2.0x
Debt EBITD	16.0	16.5	12.1	12.8	23.2	24.7	46.1	< 6.5x
Debt EBITD excluding subordinated	5.9	6.3	4.3	4.2	7.7	7.7	14.1	<6.5x
Net Operating Margin	14.6%	14.8%	16.6%	13.2%	7.3%	6.3%	3.7%	> 10%
Debt per student	\$ 34.1	\$ 35.1	\$ 29.6	\$ 27.4	\$ 27.8	\$ 29.3	\$ 30.7	<\$10K
Debt per student excluding subordinated	\$ 12.5	\$ 13.5	\$ 10.6	\$ 9.0	\$ 9.2	\$ 9.1	\$ 9.4	
Fee income per student	\$ 3.5	\$ 3.8	\$ 3.8	\$ 4.3	\$ 4.5	\$ 5.0	\$ 4.7	\$8K
Teachers Salary per student	\$ 7.8	\$ 8.0	\$ 8.2	\$ 9.4	\$ 10.5	\$ 12.5	\$ 12.0	
Teaching costs as a % of Revenue	45%	62%	60%	63%	70%	71%	64%	<75%
Teaching costs as a % of Expenses	51%	55%	62%	65%	65%	71%	70%	<78%
Students/Staff	9.5	9.5	11.8	8.7	8.7	7.8	7.3	>11

Historical Capacity to service:

	2010	2011	2012	2013	2014	2015	2016	
Capacity to pay	Audited	Audited	Audited	Audited	Audited	Audited	Audited	
Operating Surplus	-\$ 688	-\$ 444	\$ 174	\$ 244	-\$ 94	-\$ 118	-\$ 263	-\$ 475
Plus addbacks								
Depreciation	\$ 316	\$ 323	\$ 305	\$ 291	\$ 305	\$ 303	\$ 297	
Interest	\$ 1,021	\$ 771	\$ 368	\$ 232	\$ 214	\$ 202	\$ 171	
Other								
Solar Panel power cost reduction	16	16	16	20				
Budget allowance IT	20	20	20	20				
	\$ 685	\$ 686	\$ 883	\$ 807	\$ 425	\$ 387	\$ 205	
Less Commitments								
as at 31/12/2015								Rate
436030591 Working Capital **	\$ 850,000	40	40	40	40	40	40	6.30%
436032770 Secondary Campus	\$ 1,758,568	114	114	114	114	114	114	6.30%
436034254 Clarence Second Tranche	\$ 371,883	224	224	224	224	224	224	6.30%
436040052 Solar panel loan	\$ 90,045	29	29	29	29	29	29	7.30%
436040050 Server upgrade Loan	\$ 9,868	19	19	19	19	9	9	7.30%
** Working capital is based on peak monthly requirements		426	426	426	426	416	416	
Average OD for next 12 months \$500K								
*** Subordinated debt until 30/06/2016								
\$6,572,191 - no repayments currently required								
Total Finance Commitments	3,080,364	426	426	426	426	416	416	416
Net Surplus/Deficit	\$ 259	\$ 260	\$ 457	\$ 381	\$ 9	-\$ 29	-\$ 211	
Total Finance Commitments 8.00% sensitised Average rate 15 yrs	3,100,000	356	356	356	356	356	356	356
Net Surplus/Deficit	\$ 329	\$ 330	\$ 527	\$ 451	\$ 69	\$ 31	-\$ 151	

This is impacting working cap as carried forward start point

- Based on historical performance albeit tight ability to service current debts excluding subordinated debt was evident.
- In 2015 and 2016 capacity is no longer evident.
- Projections in 2017 do not indicate this position improving as the budget and census was based on 219 students and actual is 304.
- They have already highlighted that July 17 and January 18 will be difficult months in relation to timing differences. Additional monitoring by AFGD will be required.

Valuation of security:

Security Assessment sheet				
Description	Status Held/to be taken	FMV	Extension Ratio	XTV
First Registered Mortgage over the property situated at Clarenza Lot 11 In Deposited Plan 261062 Folio 11/261062 given by - The Cathedral School Council Inc.	Held	\$6,115,660	50%	3,057,830
Registered fixed and floating charge (ie: equitable mortgage) over the school's assets	Held			
Based on 30/06/2016 Audited financial results conservative valuation would appear to be Total Land & Buildings at written down value Given the limited alternate use and the likelihood of ever realising on this asset it would be considered a special purpose asset and would have a conservative extended value for risk assessment of 50%. Ie 3,057,830				
Total Limits AFGD - \$3,081,000			as at 01/05/2017	
99% cover - Security indicator C to apply				

Indicative Risk Grade 7C

- I am recommending a down grade of this entity from 6C to 7C due to the increased risk.
 - Reduced student enrolments.
 - Increase reliance on working capital funding operating deficits.
 - Strain on working capital is becoming increasingly evident.
 - Loss of key person – Business Manager Maree Cook.
 - Inability to take on any portion of the subordinated debt.
 - Increased monitoring and reporting required by AFGD to liaise with key stakeholders.

Without subordination - Total Debt \$ 9,653,191

Risk Grade Tool	Customer Credit Rating	Security Indicator	
Australian Government	1	A	125% + Cover
State Government	2	B	100% - 124% Cover
Local Government	3	C	80% - 99% Cover
Very Strong Corporate entity	4	D	60% - 79% Cover
Solid Corporate entity	5	E	40% - 59% Cover
Developing Corporate entity	6	F	20% - 39% Cover
High Risk Corporate entity	7	G	0% - 19% Cover
High Risk of write off or loss	8		

With subordination in place Debt \$ 3,081,000

Risk Grade Tool	Customer Credit Rating	Security Indicator	
Australian Government	1	A	125% + Cover
State Government	2	B	100% - 124% Cover
Local Government	3	C	80% - 99% Cover
Very Strong Corporate entity	4	D	60% - 79% Cover
Solid Corporate entity	5	E	40% - 59% Cover
Developing Corporate entity	6	F	20% - 39% Cover
High Risk Corporate entity	7	G	0% - 19% Cover
High Risk of write off or loss	8		

Insurance Confirmation:

Clarence Valley Anglican School 2016				Buildings	Contents	Special value	Total Cover
Street Address	Suburb	Post Code	Description	Reinstatement cost	Reinstatement cost	Reinstatement cost	
Victoria Street	Grafton	2,460	Junior Campus		\$435,285		435,285
Centenary Drive	Grafton	2,460	A & B Blocks, Sheds	\$3,943,710	\$510,943	\$16,531	4,471,183
Centenary Drive	Grafton	2,460	3 Demountable build	\$649,774	\$218,791		868,565
Centenary Drive	Grafton	2,460	Toilet Block	\$130,205	\$0		130,205
Centenary Drive	Grafton	2,460	Residence	\$302,977	\$35,007		337,984
Centenary Drive	Grafton	2,460	Demountables 3 room	\$498,414	\$175,350		673,764
Kangaroo Creek	Glenreagh	2,450	Farnsworth	600,000			600,000
TOTALS				6,125,080	1,375,375	16,531	7,516,986

Note:**Covenants/ongoing monitoring requirements:**

- The Borrower will be required to furnish the AFGD with quarterly report on its financial position .Ie 31/3, 30/6, 30/9 & 31/12 by the 15th of the following month. A copy of the CVAS management's financial /operational monthly report to school council will normally suffice.
- Annual review for continuation of facilities will be due by 30 April yearly and the following will be required to enable this to be completed
 - Annual Audited financial statements as at 31/12 (next being 31/12/2016)
 - rolling 5 year budget and cash flow forecast for all facilities covering buildings, staffing levels, student numbers and working capital requirements (already held)
 - any other information as the AFGD deems appropriate
- All new bank loans or credit facilities to third parties to be approved by AFGD. Consent not to be unreasonably withheld.
- No other financial institution or lender to be added to mortgage or security documents without prior consent from AFGD. Consent not to be unreasonably withheld.
- Clarence Valley Anglican School remains a party to A Deed of Gift and Indemnity. This remains in place unchanged unless an event is triggered requiring an update to all stakeholders.
- Clarence Valley Anglican School remains a party to A Deed of Subordination. This Deed was extended unchanged in June 2016 for a further five years to 30/06/2021.

Recommendation

- Extension of rolling half yearly review for a further term to 31/10/2017.
- Approval of the half yearly review as at 30/04/2017 with the benefit of 31/12/2016 audited financial statements.
- Downgrade of group to 7C.



Blaine Fitzgerald
Manager – Anglican Funds Grafton Diocese



BOARD MEETING DATE:

27/07/2017

No 7 Matters for Decision/Discussion

Item: g

Title: Lending Interest Rate Review Q3 2017 –

1/7/17 to 30/9/17

No of Pages. 6 incl Header

AFGD Business Reference Rate (ABRR) Variable – as at 01/07/2017

Based on the first business day of each quarter based on the higher of:

I. That day's BBSW plus 400bp; or

Provided that the result in the net interest margin is not less than **250bp** above AFGD marginal cost of capital.

As at 13/06/17

	Rate
* BBSW - 90 day rate	1.730 %
	<u>4.000 %</u>
	5.730%
Proposed ABRR Variable	6.05%
Floor:	
Marginal Cost of Capital as at 13/06/17	2.50 %
Margin	<u>2.50 %</u>
	5.05%
ABRR Variable	6.05%

AFGD Business Reference Rate (ABRR) Fixed 1 year – From 1/7/2017 to 30/09/2017

Set on the first business day of each quarter:

Business Lending rate Westpac Fixed 1 year (05/12/2016)	5.07 %
Plus Margin	<u>1.20 %</u>
	6.27%
ABRR Fixed 1 Year	6.27%

AFGD Parish Reference Rate (APRR) Variable – as at 01/7/2017

Based on the first business day of each quarter based on the higher of:

I. That day's BBSW plus 300bp; or

Provided that the result in the net interest margin is not less than **150bp** above AFGD marginal cost of capital.

	As at 13/06/17
	Rate
BBSW – 90 day rate	1.730%
	<u>3.000%</u>
	4.730%
Proposed APRR Variable	5.05%
Floor:	
Marginal Cost of Capital as at 13/06/17	2.50%
Margin	<u>1.50%</u>
	4.05%
APRR Variable	5.05%

AFGD Parish Reference Rate (APRR) Fixed 1 year – from 1/7/2017 to 30/09/2017

Set on the first business day of each quarter:

Business Lending rate Westpac Fixed 1 year (05/12/2016)	5.07 %
Plus Margin	<u>0.20 %</u>
	5.27%
APRR Fixed 1 Year	5.27%

Equities	Level	Change (%)
Dow Jones	21,214	-0.3
S&P 500	2,426	-0.2
Nasdaq	6,170	-0.6
Euro Stoxx 50	3,544	-1.2
DAX	12,690	-1.0
FTSE	7,512	-0.2
Nikkei	19,909	-0.5
Shanghai A	3,140	-0.6
Aus SPI	5,671	0.0
ASX 200	5,678	0.0
NZX 50	7,433	0.0
VIX	11.5	7.1

Commodities	Level	Change (%)
PRECIOUS AND BASE METALS		
Gold (USD/oz)	1,267	0.0
Gold (AUD/oz)	1,681	-0.1
Silver (USD/oz)	16.97	-1.4
Palladium (USD/oz)	895	1.0
Platinum (USD/oz)	944	0.4
Aluminium (USD/t)	1,909	0.0
Copper (USD/t)	5,830	0.0
Nickel (USD/t)	8,955	0.0
Zinc (USD/t)	2,540	0.0

ENERGY	Level	Change (%)
WTI futures (USD/bbl)	46.07	-0.1
Brent futures (USD/bbl)	48.29	-0.4
Tapis (USD/bbl)	48.29	0.6
Henry Hub (USD/MMBtu)	2.98	0.0

AGRICULTURE	Level	Change (%)
Corn (US\$/bu)	377	-2.3
Wheat (US\$/bu)	434	-2.0
Soybeans (US\$/bu)	932	-1.0
Cotton (US\$/lb)	72.44	-0.1
Sugar (US\$/lb)	14.23	-1.7
Live Cattle (US\$/lb)	122	-1.6
PalM Oil (MYR/mt)	2,457	0.0
Cocoa (USD/mt)	2,059	1.9

OTHER	Level	Change (%)
China Rebar (RMB/t)	3,865	0.4
Thermal Coal (USD/t) ¹	79.45	0.0
Coking Coal (USD/t) ²	146.20	-1.1
Iron Ore Spot (USD/t) ³	54.87	0.8
CRB Index	175.93	-0.5

Global Interest Rates	Level	Change (bps)
Fed Funds Rate	1.00	0.0
3m Libor	1.2364	0.0
2yr bond	1.351	0.8
10yr bond	2.209	-0.7
30yr bond	2.866	0.0
10yr bund	0.249	-1.5
10yr gilts	0.967	-3.8

AU Rates	Level	Change (bps)
Cash Rate	1.50	0.0
3m bills	98.28	-1.0
3yr bond future	98.23	-1.5
10yr bond future	97.55	-1.0
1yr swap	1.72	0.5
2yr swap	1.79	1.0
3yr swap	1.89	1.0
4yr swap	2.14	0.9
5yr swap	2.25	0.7
7yr swap	2.45	0.7
10yr swap	2.67	1.6

Note: The overnight currency ranges are between 4pm AEST the previous trading day to 6:45am AEST today. Due to liquidity constraints, these are not necessarily tradable levels. Money market rates are indicative levels only. Please speak to your ANZ representative if you require the latest market pricing.

¹ Newcastle futures contract

² Australian coking coal free on board price (weekly)

³ Iron ore spot (62% fines) price including freight, Qingdao Port, China

COMMODITIES

Commodities were mixed amid a backdrop of continuing political uncertainty and a lack of direction from fundamentals.

Crude oil prices rose on the back of further supportive talk from Saudi Arabia. Energy Minister Khalid Al-Falih said that inventories are declining and reductions will accelerate in the next three weeks. This followed discussions with his counterpart from Russia, Alexander Novak. According to a Bloomberg report, Saudi Arabia is also cutting total allocations to customers by 600kb/d in July, with US allocations down by 300kb/d alone. Qatari Energy Minister also reiterated its commitment to the production cut agreement, despite the diplomatic dispute with gulf neighbours. However, with the unexpected rise in the US inventories still fresh in the mind of investors, the rallied remained subdued.

Base metals were largely lower, with sentiment remaining bearish amid large losses in equity markets through Asia. Tin rebounded after falling heavily last week following reports that China’s largest tin smelter had received an export licence that shift the domestic oversupply onto in the international market. Copper was slightly lower, as investors await key economic data later this week. The extent of growth in China’s industrial production and fixed asset investment could allay fears of weak demand for commodities.

Spot iron ore prices rebounded after last week’s fall amid further increases in inventories. Steel futures in China rose, helping improve steel mill’s margins and igniting interest among physical traders. However with inventories at Chinese ports now topping 10 million tonnes, this positive sentiment remained fragile. **Coking coal** prices continued to edge lower, with a surge in available cargoes weighing on prices.

Gold prices eased lower ahead of a Federal Reserve meeting later this week where investors are expecting rate to be hiked. While the market broadly expects another two hikes in rates in 2017, the tone of the FOMC meeting could set the stage for further weakness in the short term.

Floating Rate	Cash	1M	2M	3M	6M
AU (BBSW)	1.50	1.62	1.68	1.73	1.85
NZ (BKBM)	1.75	1.86	1.89	1.97	1.99
USD (Libor)	1.00	1.13	1.17	1.24	1.42
EUR (Libor)	0.00	-0.40	-0.39	-0.37	-0.30
GBP (Libor)	0.25	0.25	0.26	0.29	0.42
JPY (Libor)	0.10	-0.04	-0.02	-0.01	0.02

} INTEREST RATE RISK MANAGEMENT.

- THESE SWAP RATES ARE BELOW PRE DEC 2015 LEVELS.

AFMA - 10 Day History

Bank Bill Swap Rates (Mid) - 10 Day History

DATE	1 month	2 month	3 month	4 month	5 month	6 month
08-06-2017	1.6150	1.6800	1.7250	1.7650	1.7950	1.8450
07-06-2017	1.6150	1.6800	1.7350	1.7700	1.7950	1.8450
06-06-2017	1.6150	1.6800	1.7300	1.7700	1.7950	1.8400
05-06-2017	1.6200	1.6850	1.7300	1.7600	1.7950	1.8400
02-06-2017	1.6200	1.6850	1.7300	1.7600	1.7950	1.8450
01-06-2017	1.6200	1.6850	1.7350	1.7600	1.7950	1.8550
31-05-2017	1.6200	1.6850	1.7350	1.7550	1.7950	1.8550
30-05-2017	1.6250	1.6950	1.7350	1.7700	1.8150	1.8650
29-05-2017	1.6250	1.6950	1.7350	1.7700	1.8200	1.8650
26-05-2017	1.6300	1.6950	1.7350	1.7750	1.8250	1.8650

DISCLAIMER

From 1 January 2017, ASX is the administrator for the BBSW benchmark rate. Under transitional arrangements AFMA will continue as the calculation agent until mid 2017. BBSW benchmark rate data and End of Day BAB data (together, ASX Benchmark Data) is proprietary to

Variable rates

Variable rates current on and from 3rd April 2017

Rate name	Variable rate (Base rate only, a margin may apply)
Small Business Loan Rate	5.32% p.a.
Small Business Overdraft Rate	6.52% p.a.
Business Development Rate	6.43% p.a.
Overdraft Business Rate	7.25% p.a.
Business Equity Access Rate	5.55% p.a.

- A margin may apply depending on the type of security provided, the purpose for which the finance is required or the term of the facility
- Interest is calculated daily on the balance used, and charged monthly.

Fixed rates current on and from 5th December 2016

Term	Fixed rate for business loans (Base rate only, a margin may apply)
1 year	5.07%
2 year	5.10%
3 year	5.10%
4 year	5.27%
5 year	5.40%



BOARD MEETING DATE:

27/07/2017

No 9 Matters for Noting

Item: a

Title: Fund Manager Report

No of Pages. 7 incl Header



AFGD Management Report – to Board covering 19/04/17 to 20/7/17

Last update was provided as at 19/04/2017.

1. **Financial Performance**

Detailed analysis of performance benchmarks can be obtained in the monthly Financial Report

Objective:

Achieve the annual financial targets of the organisation in line with approved budgets and the prudential guidelines set down by the Diocesan Financial Advisory Task Force (DFATF)

Strategies:

Maintain a net interest margin in the range of 1.75% - 2.50%.

- Net interest margin as at **30/6/17 is 1.87%**

Net interest margin sits at the low end of the acceptable range.

Maintain Prudential Guidelines

- Capital Adequacy 31/12/2016 – 6.62% Benchmark 8% - 10%
- Liquidity – excluded Ord Minnett – 19.8% Benchmark 10% of Total Assets
This would be stronger if Ord Minnett included.

Increase deposit portfolio FUM (funds under Management) by 6% each year.

30/06/16 \$38,879,000

30/06/17 position \$37,189,600 **4.34% decrease** at same point in time last year

Investment Policy that reflects a diversified portfolio.

A diversified Investment Policy is in place and currently producing returns the business is expecting. Summary Report is on the following page:

Operate the business within the expenditure budget parameters set Annually.

Total expenses YTD as at 30/06/17 is currently tracking \$35,894 under budget
Savings achieved in general operating costs and wages.

2. Marketing & Business Development

Objective:

Develop both internally within the Diocese and externally in other Dioceses opportunities to increase the portfolio in deposits and lending opportunities.

Business Development activities.

Merchant facilities for OP shops.

- Template and proposal sent to the following parishes for the pilot;
 - Coffs Harbour – installed June 17.
 - Alstonville - rollout July
 - Ballina – rollout July
 - Pt Macquarie – TBA

Renewable Energy Loans – (parishes)

- Business paper submitted for the 24 July 2017 Board meeting to discuss.

Emmanuel Anglican School (EAC)

- Letter of support from AFGD \$1.5 million provided to assist in their application for a BGA grant and construction of new learning spaces.
- Half yearly review of facilities as at 31/5/17 was completed 16/6/17.

“Pari Passu” agreement with Westpac

Lindisfarne Anglican Grammar School (LAGS)

- AFGD approved \$6M LOC to accommodate land purchase 34 Mahers Rd Terranorra
- Westpac facilities to reduce via LOC reduction to Total facilities of \$6M to match ours.
- Joint approval required in line with due diligence by 30/3/17. – satisfied.
- Again we have experienced delays with documentation and the Pari Passu Deed from Westpac's solicitors..
- After lengthy delays the deal has settled with the school drawing down \$3M. This will assist income as we pick up interest income and a healthy line fee. This will assist closing budget gaps.

Bishop Druitt College (BDC)

- BDC Council approval to proceed has been obtained.
- Budgetary constraints centred around student numbers and teaching salaries continues to be an area of debate before the adjusted 2017 forecast and 2018 budget can be signed off.
- Other developments – Principal Alan Ball has resigned accepting a role in Thailand.
- Recruitment of a new Principal and the restructuring of the business model has caused some tension at the school.
- I am anticipating continuing discussions with them over the next 90 days to see if this opportunity is in a position to progress.

Externally:

Develop opportunities in deposit offering products with other Diocese that do not operate a development fund.

Develop opportunities in lending with other Diocese that do not operate a development fund or in conjunction with another Diocese who do operate a development fund and may want to do a joint lending venture.

Anglican Diocese of Armidale

- This I still view as a live opportunity. However it will two willing parties to sit down and discuss.
- For AFGD to grow we need to form an alliance.
- Meeting previously scheduled for 22/6/17 was cancelled due to ASIC's response regarding lending.
- Armidale are aware that we would like to assist.
- They are still assessing all current options that they already before opening up the conversation to AFGD.
- Will try and schedule another meeting to float the idea.

3. Customer & Stakeholder:

Objective:

Continue to enhance our service offering as a point of differentiation by providing exceptional personalised service.

Strategies:

Customer:

Continue building our culture as a customer focused organisation.

- Refer to Marketing and Business Development for recent activities.

Stakeholder:

Build on improving the relationship AFGD have with its stakeholders in order to achieve mutually beneficial outcomes.

Internal:

The school portfolio makes up a significant proportion of our portfolio.

If I could just spend a couple of minutes on each I can provide a verbal update on the following schools.

Emmanuel Anglican College (EAC)

- half yearly review submitted for consideration

Lindisfarne Anglican Grammar School (LAGS)

- settled and drawn down 20/7/17

Bishop Druitt College (BDC)

- commenced document preparation with our solicitors Fishburn Watson O'Brien to try and speed up the process when the College and Westpac are ready to move forward with a joint proposal.

St Columba Anglican School (SCAS)

- Meeting with Business Manager Garry Clifton was completed 5/6/17.
- Toured the 60% complete Iona Centre (PACE)
- Discussed capital works programmed for the next 3 years and the LOC facility.
- Garry was open to discussing a lower interest rate on the LOC as a trade-off for a line fee if it assisted AFGD and the Diocese. I will need to complete a business proposal for their consideration.
- Half yearly review of facilities as at 31/3/17 was completed 15/4/17.

Clarence Valley Anglican School (CVAS)

- Refer to half yearly review of facilities as at 30/04/17 which was completed 26/6/17.
- Discussion on this entity is required with the Board of AFGD.

External:

Focus for 2017 YTD has been external due to some critical timelines.

APRA/ASIC

APRA – No change in their position. AFGD remains confident it can comply with their requirements.

ASIC - previously well documented. Latest update provided in business papers for the 24th July 17 AFGD Board meeting.

AFSA

- Waiting for AFSA/Data Action revised costings for the remainder of 2017 and beyond.
- Adelaide advised verbally last week that the intent from Data Action is no CPI increase in 2018.
- I have diarsed to follow up again mid –August 2017

4. Human Resources

Objective:

Develop our people to ensure they become valued contributors to the mission of AFGD.
Invest in our people by providing them with the necessary training to do their roles and equip them with qualifications recognised externally in the finance industry.

Strategies:

Ensure correct staffing structure is in place

- PT CSO position stopped as at 30/6/2017 as agreed by all parties.
- A further review will be required once more information is known regarding AFS licencing etc which may require increased administrative, compliance training and qualifications.
- Annette has taken 1 weeks leave from 26/6 to 30/6 with an additional 6 hours of relief provided by Jenny Brock. ie 2 hrs a day for 5 days as already providing 4 hours for that week. Annette will be having two weeks in September and we will need to work through what options we have.

5. Governance Compliance and Risk Management.

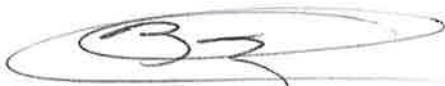
Objective:

Improve our not for profit governance through undertaking a full review and upgrade of our policies and procedures.

Strategies:

Review and redraft any proposed amendments to improve Governance and transparency.

- Quarterly update to be provided for the Board and management to assess position.
- Update for the 30/6/17 quarter provided.



Blaine Fitzgerald
Manager AFGD
20/7/17

Governance Compliance and Risk Management Document and Policy Chart

Document name	Status	Next Review Date
Chapter 18 Diocese Governance Ordinance 2008 (last amended 2016)	June 2017 approved at Synod	Synod 2018 if changes required.
AFGD Strategic Business Plan 2019 -2019	Approved 22/9/16	21/09/17
AFGD Annual Operating Budget 2017	Approved	21/09/17
AFGD Annual Audited Financial Statements	31/12/2016 Finals	20/04/18 for draft 31/12/17 results

Governance Documents

Risk Management Documents

Document or Policy name	Policy No	Status	Next Review date	Document or Policy name	Policy No	Status	Next Review date
AFGD Board Governance Charter	P001	draft		AFGD Risk Management Policy	P002	draft	
AFGD Delegation Matrix from CT's		Approved	15/7/2018	AFGD Investment Policy	P003	Approved	19/05/2018
AFGD Board member Code of Conduct Policy		draft		AFGD Capital Adequacy Policy	P004	Approved	16/11/2018
AFGD Board member Conflict of Interest policy		draft		AFGD Cash & Liquidity Policy	P005	draft	
AFGD Board member Induction Policy		draft		AFGD Interest Rate Setting Policy	P006	draft	
AFGD Board member Register of Interests		To be updated	23/02/2019	AFGD Credit Policy	P007	draft	
AFGD Responsible Person Declaration		To be updated	23/02/2019	AFGD Member Hardship Policy	P008	draft	
Diocese Fit and Proper Person Declaration		To be updated	23/02/2019	AFGD Volunteer Member Definition Policy (ASIC)	P009	draft	
AFGD Board member Position Description Document		draft					



BOARD MEETING DATE:

27/07/2017

No 9 Matters for Noting

Item: b

Title: Financial Reports – as at 31/05/17

No of Pages. 17 incl Header

AFGD Dashboard

AFGD Dashboard - as at 31-05-17

Margins & Cost of Funds (COF)				
	31-05-17	30-04-17	Variance	Comment
Loans	5.332%	5.334%	0.00%	Portfolio too heavily weighted in cash
Ord Minnett	4.280%	4.280%	0.00%	at commencement of year
Cash	2.059%	2.059%	0.00%	
Ave Return on assets	4.250%	4.231%	0.02%	
Savings	0.953%	1.103%	-0.15%	1/ Customers use of debt will increase as the year
Investment	2.718%	2.731%	-0.01%	progresses.
Ave weighted COF	2.516%	2.520%	0.00%	
Margin	1.734%	1.711%	0.02%	Strategic Plan benchmark 1.75% to high of 2.50%

Ord Minnett Portfolio Summary (000's)			Comments
MV	Cost base	Movement	
31-05-17			Portfolio MV is holding.
\$ 10,118.31	\$ 10,095.59	\$ 22.72	Revaluation occurs quarterly
Income			
YTD Actual	Annualised	Gross Yield	Cash flow forecast indicates gross income to be \$428K. This annualised result will smooth as year progresses
\$ 172.64	\$ 414.34	4.10%	Anticipated Gross yield 4.28%
Cashflow			
	\$ 428.70	4.25%	
Fees			
YTD Actual	Annualised	%	Agreement is .40% - tracking to plan
\$ 14.59	\$ 35.02	0.35%	

Capital Adequacy - target is 10%				
	31-05-17	30-04-17	Variation	% below min target
Total Equity	1,279.2	1,285.0	-\$ 5.82	Change in asset allocation and improved profitability
Risk Weighted Assets	19,943.6	19,915.1	\$ 28.44	has improved position from prior month.
Capital Adequacy	6.41%	6.45%	-0.04%	3.58%

Total Deposits & Lending (\$000's)				Cash & Investments	
	31-05-17	30-04-17	Variation	\$ 000's	
Deposits	\$ 37,387.3	\$ 39,727.8	-\$ 2,341	AFSA	583.2
addback				Westpac	3,027.0
re-draw funds	\$ -	\$ -		ORD Minnett	10,118.3
	<u>\$ 37,387.3</u>	<u>\$ 39,727.8</u>		Melb DIF	2,750.0
				BOQ	-
Lending	\$ 28,005.0	\$ 27,948.2	\$ 57	ME Bank	-
addback				AMP	3,250.0
re-draw funds	\$ -	\$ -			<u>\$ 19,728.5</u>
	<u>\$ 28,005.0</u>	<u>\$ 27,948.2</u>			% holding
				AFSA	2.96%
				Westpac	15.34%
				ORD Minnett	51.29%
				AMP	16.47%
				Melb DIF	13.94%
Cash/ Investment	\$ 19,728.5	\$ 21,616.6	-\$ 1,888	BOQ	0.00%
LOC facilities	\$ 1,600.0	\$ 1,600.0	\$ -	ME Bank	0.00%
Total available	\$ 21,328.5	\$ 23,216.6	-\$ 1,888		<u>100.00%</u>
Liquidity Ratio	57.05%	58.44%	-1.39%		

P & L Summary - Month in Isolation (\$000's)				
	Actual	Budget for	Variation	Explanation
	31-05-17	31-05-17		
All income	\$ 136.4	\$ 162.5	-\$ 26.1	Income Delays in refinancing of BDC has reduced income
Expenses	\$ 130.8	\$ 138.3	-\$ 7.5	Realised loss Ord \$16K impacted
Net profit	\$ 5.6	\$ 24.2	-\$ 18.6	Expenses Savings achieved interest paid
Contrib Diocese	\$ 14.6	\$ 14.6	\$ -	investors and general
Balance after Dist	-\$ 9.0	\$ 9.0	-\$ 18.6	operating expenses.

P & L Summary - YTD (\$000's)				
	Actual as at	Budget as at	Variation	Explanation
	31-05-17	31-05-17		
All income	\$ 665.2	\$ 831.3	-\$ 166.1	Income Delays in refinancing of BDC has reduced income
Expenses	\$ 614.9	\$ 730.1	-\$ 115.2	
Net profit	\$ 80.3	\$ 101.2	-\$ 20.9	Expenses - Savings achieved interest paid
Contrib Diocese	\$ 73.0	\$ 73.0	\$ -	investors and general
Balance after Dist	\$ 7.3	\$ 28.2	-\$ 20.9	operating expenses.

Capital Adequacy: (Target > 10% of Risk Weighted Assets)

Assets		Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)		10%	\$ 9,610,140	\$ 961,014
Cash (Other Aust. Banks, ADI's)		20%	\$ -	\$ -
Anglican Loans -Unsecured		100%	\$ -	\$ -
Anglican Loans -Secured	\$ 19,178,640	50%	\$ 19,178,640	\$ 9,589,320
Undrawn Anglican Loans -Secured		50%	\$ 8,826,409	\$ 4,413,205
redraw funds available		50%	\$ -	\$ -
External Loans - Secured Commercial property		100%	\$ -	\$ -
Undrawn Ext. Loans - Secured Commercial property		100%	\$ -	\$ -
Equities		400%	\$ -	\$ -
Ord Minnett Subordinated Notes		50%	\$ 9,920,463	\$ 4,960,231
Other Investments		300%	\$ -	\$ -
Ord Cash		10%	\$ 197,850	\$ 19,785
Total Assets			\$ 47,733,502	\$ 19,943,555

N.B. As Asset Values include undrawn loans, figures won't reconcile with the Balance Sheet.

Risk Concentration:

Internal loans (< 30% of Total Assets)

	Limit	Total Assets:	Limit Amount:			
Limit	30%	\$ 47,733,502	\$ 14,320,051			
Loans > 30% of TA			\$ 13,154,923	200%	\$ 1,165,128	\$ -

External loans (< 5% of Total Assets)

	Limit	Total Assets:	Limit Amount:			
Limit	5%	\$ -	\$ -			
Loans > 5% of TA			\$ -	400%	\$ -	\$ -
Total Risk Weighted Assets						\$ 19,943,555

8% \$ 1,595,484

+ 2% Buffer \$ 398,871

Required Capital 10% \$ 1,994,355

Equity:

2016 audited	Accumulated Funds	\$ 1,238,452
	Asset Reserves	\$ 33,424
	Adjustments	
Management results	YTD profit after distribution	\$ 7,280
	Total Equity	\$ 1,279,156
	"Surplus" Capital	-\$ 715,199
	Actual Capital Adequacy ratio	6.41%

Liquidity (> 10% of Total Assets):

Total Assets:		\$ 47,738,060
Minimum Liquidity requirement	10%	\$ 4,773,806
Actual position:		
Cash		\$ 9,807,990
Undrawn Bank OD Facility		\$ 1,600,000
Total Actual Liquidity		\$ 11,407,990
"Surplus" Liquidity		\$ 6,634,184
Actual Liquidity Ratio		23.9%

Depositors in excess of 5% of Liabilities				
		Client	Deposit Amount	% of Liabilities
Total Liabilities	\$ 37,387,284	Corp Trustees	\$ 11,807,922	32%
plus redraw funds		St Cuthberts	\$ 4,636,430	12%
	\$ 37,387,284			0%
				0%
			\$ 16,444,352	44%
External Loan in excess of 5% of Total Assets				
		Borrower	Loan Amount	% of Assets
			0	
Internal Loan to any one anglican entity not to exceed 30% of TA				
		Borrower	Loan Amount	% of Assets
		SCAS	\$ 13,154,923	28%
Asset Targets				
			Target	Actual
Cash	\$ 9,807,990		20%	20.55%
Ord Hybrids	\$ -		0%	0.00%
Secured External loans			0%	0.00%
Secured Anglican loans	\$ 28,005,049		70%	58.66%
Unsecured Anglican loans	\$ -		0%	0.00%
Ord Minnett Subordinated Notes	\$ 9,920,463		10%	21%
Other Investments P&E wd value	\$ 4,558		0%	0.01%
	\$ 47,738,060		100%	100.00%
Maximum % of Cash invested with any one institution, 20% of Total Assets				
		Bank	Inv. Amount	% of Assets
		AMP	\$ 3,250,000	6.8%
				0.0%
Minimum % of Cash investments with maturity dates < 45 days, 12%				
				Actual %
			\$ 6,719,283	68.5%
Floating Rate Note/CDO investments to be "A" rated				
Investments currently below this benchmark;				
		Rating	Maturity Date	Market Value
Australian Unity Ltd		BBB+	15-12-20	\$ 1,196,310
Members Equity		BBB+	29-08-19	\$ 1,008,630
Auswide Credit Union		BBB	12-06-19	\$ 501,970
Bendigo Bank		BBB	13-12-21	\$ 1,032,300
AAI Ltd		BBB+	12-12-21	\$ 1,048,600
	(n.b. Westpac credit rating AA-)			\$ 4,787,810

Westpac Covenants:

	Requirement	Actual
Tier 1 Capital	\$ 1,994,355	\$ 1,279,156
Liquid assets with maturity terms < 45 days	\$ 1,176,959	\$ 6,719,283
Min. liquid assets (Deposits, FRN & CDOs)	\$ 9,547,612	\$ 19,728,453
of not less than 20% of Total Assets	20%	41%

Anglican Funds Grafton Diocese
Level 1 - 50 Victoria Street
Grafton 2460
NSW

Month and YTD Budget Variance

May 2017

	May		May		YTD Actual	YTD Budget	YTD Variance	YTD %	Reason
	Actual	Budget	Variance	%					
4-0000									
Income									
Interest Recd - Investments	19,506	14,948	4,558	30%	119,253	117,035	2,218	2%	
Interest Recd - Borrowers	83,199	109,349	(26,150)	-24%	410,693	532,636	(121,943)	-23%	Debt position overstated due to BDC delay to be replaced with time lag by LAGS
Sundry Income - Other Asset classes and Ser	33,681	38,219	(4,538)	-12%	165,283	181,670	(16,387)	-9%	Maturity of holdings not factored into budget will impact forecast
Total Income	136,386	162,516	(26,130)	-16%	695,229	831,341	(136,112)	-16%	Position down on anticipated budget position is a concern.
Total Cost Of Sales	81,893	93,127	11,234	12%	409,080	494,574	85,494	17%	Savings achieved in interest paid investors offsets above position.
Gross Profit	54,493	69,389	(14,896)	-21%	286,149	336,767	(50,618)	-15%	Position should improve from July 17 through to Dec 17 closing the gap.
6-6-0000									
Expenses									
Total Employee Benefits	18,977	23,198	4,222	18%	101,937	116,390	14,453	12%	Due to lean structuring
Total Professional Fees	6,977	1,313	(5,664)	-43%	14,580	8,565	(6,015)	-70%	Legal Fees ASIC has impacted position.
Total Banking Costs	14,261	15,100	839	6%	67,408	73,500	6,092	8%	Cost being well maintained
Total Insurance Costs	1,085	1,454	369	25%	5,299	7,270	1,971	27%	Tracking to budget
Total General Operations Costs	7,610	4,135	(3,475)	-84%	16,645	29,200	12,555	43%	Core expenses being well managed.
Total Expenses	48,909	45,200	(3,709)	-8%	205,869	234,925	29,056	12%	
Total Net Profit	5,584	24,189	(18,605)	-77%	80,280	101,842	(21,562)	-21%	Overall savings have assisted profitability of the fund.
Distribution to Diocese	14,600	14,600	-		73,000	73,000	-		
Net Profit/(Loss) after distribution	(9,016)	9,589	(18,605)	-194%	7,280	28,842	(21,562)		

Anglican Funds Graton Diocese
Level 1 - 50 Victoria Street
Graton, 3460
NSW

Profit & Loss Statement
January 2017 through December 2017

	Jan	Feb	Mar	Apr	May	YTD	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Forecast	Budget	Variance
4-0000																
Income																
Interest Recd - Investments	18,379	25,507	28,171	27,690	19,506	119,253	11,030	18,124	14,387	13,200	18,885	16,274	14,014	224,967	222,748	2,219
Interest Recd - Borrowers	96,801	72,626	80,588	77,480	83,199	410,693	105,822	109,349	109,349	105,822	109,349	105,822	109,349	1,165,556	1,287,500	(121,944)
Sundry Income - Other Asset classes and Ser	34,228	35,647	24,074	37,653	33,681	165,283	50,673	38,219	38,219	51,906	38,219	36,986	51,906	471,412	487,796	(16,384)
Total Income	149,408	133,780	132,832	142,822	136,386	695,229	167,525	165,693	161,956	170,928	166,253	159,082	175,269	1,861,936	1,998,044	(136,108)
Cost Of Sales																
Total Interest Paid to Investors	83,955	75,769	84,984	82,479	81,893	409,080	86,141	96,809	92,478	88,656	97,459	92,219	92,045	1,054,886	1,140,381	85,495
Gross Profit	65,453	58,011	47,848	60,343	54,493	286,149	81,384	68,884	69,478	82,272	68,795	66,863	83,225	807,049	857,663	(50,614)
Expenses																
Total Employee Benefits	21,181	21,522	21,189	19,070	18,977	101,937	23,598	23,198	23,198	23,598	23,198	23,198	23,598	265,525	279,979	14,454
Total Professional fees	1,322	1,322	3,648	1,313	6,977	14,580	2,313	1,313	1,313	2,313	1,313	1,313	2,313	26,771	20,756	(6,015)
Total Banking and Indue Costs	12,916	12,883	13,954	13,393	14,261	67,408	15,100	15,100	15,100	15,100	20,100	15,100	15,100	178,108	184,200	6,092
Total insurance costs	1,078	999	1,078	1,059	1,085	5,299	1,454	1,454	1,454	1,454	1,454	534	534	13,635	15,606	1,971
Total General Operations costs	956	3,280	2,030	2,769	7,610	16,645	4,535	5,060	4,135	4,535	4,360	4,135	3,735	47,140	59,695	12,555
Total Expenses	37,453	40,005	41,899	37,603	48,909	205,869	47,000	46,125	45,200	47,000	50,425	44,280	45,280	531,179	560,236	29,057
Total Net Profit	28,001	18,006	5,949	22,740	5,584	80,280	34,384	22,759	24,278	35,272	18,369	22,583	37,945	275,870	297,427	(21,557)
9-0000																
Distribution to Diocese	14,600	14,600	14,600	14,600	14,600	73,000	14,600	14,600	14,600	14,600	14,600	14,600	14,400	175,000	175,000	-
Total Other Expenses	13,401	3,406	-8,651	8,140	-9,016	7,280	19,784	8,159	9,678	20,672	3,769	7,983	23,545	100,870	122,427	(21,557)
Net Profit/(Loss) after distribution																

Balance Sheet as at 31/05/2017 (summarised)

Anglican Funds Grafton Diocese
 Level 1 - 50 Victoria Street
 Grafton 2460
 NSW

Balance Sheet [Multi-Period]

January 2017 To May 2017

Account No.	Account Name	January	February	March	April	May
	Current Assets	986,475	991,055	1,789,743	970,554	1,145,047
		14,529,134	12,148,855	14,584,947	11,300,954	8,716,605
	Investors - Interest Bearing Securities	7,572,198	8,823,214	9,033,926	10,065,856	9,918,756
		76,994	100,143	74,656	72,427	79,313
	Fixed Assets Current	4,690	4,558	4,426	4,295	34,392
	Loan Assets	17,728,677	17,874,476	17,217,851	18,454,249	19,178,640
		0	0	0	0	0
	Total Assets	40,898,168	39,942,302	42,705,549	40,868,334	39,072,752
	Liabilities					
	Current Liabilities	33,790	25,443	28,993	28,311	54,178
		130	256	375	500	633
		254,158	270,416	311,771	319,334	342,079
	Investor Funds Fin Liab Current	5,354,355	4,459,793	5,662,947	5,682,830	4,285,304
		32,051,491	31,962,340	33,486,735	31,616,225	31,175,649
	Sundry Liabilities	11,561	12,174	13,974	12,240	9,197
	Other Long Term Liabilities	1,905,859	1,921,649	1,923,922	1,923,922	1,926,555
	Total Liabilities	39,611,345	38,652,072	41,428,717	39,583,362	37,793,595
	Net Assets	1,286,824	1,290,230	1,276,832	1,284,972	1,279,157
	Equity					
	Total Equity	1,286,824	1,290,230	1,276,832	1,284,972	1,279,157

Blaine Fitzgerald - Manager AFGD

Mission

**To be the trusted financial services provider of the
 Anglican Diocese of Grafton, enabling ministry growth.**

Anglican Funds Grafton Diocese
 Level 1 - 50 Victoria Street
 Grafton 2460
 NSW

Month and YTD Budget Variance

May 2017

	May Actual	May Budget	May Variance	YTD Actual	YTD Budget	YTD Variance
4-0000						
Income						
4-1010 Interest Received - Investment	-	14,948	(14,948)	-	117,035	(117,035)
4-1011 Interest Recd - NAB	-	-	-	-	-	-
4-1012 Interest Recd - AFSA	357	-	357	1,732	-	1,732
4-1013 Interest Recd - Melb CF7963	8,532	-	8,532	48,843	-	48,843
4-1014 Interest recd - WBC	2,964	-	2,964	10,434	-	10,434
4-1015 Interest Recd - AMP	7,654	-	7,654	23,177	-	23,177
4-1016 Interest Recd - ME Bank	-	-	-	9,801	-	9,801
4-1017 Interest Recd - BOQ	-	-	-	25,266	-	25,266
Interest Recd - Investments	19,506	14,948	4,558	119,253	117,035	2,218
4-1020 Overdraft/LOC INT INC	11,932	109,349	(97,417)	59,849	532,636	(472,787)
4-1021 Interest Only Loans INT INC	25,220	-	25,220	121,710	-	121,710
4-1022 Princ & Int Loans INT INC	46,046	-	46,046	229,134	-	229,134
Interest Recd - Borrowers	83,199	109,349	(26,150)	410,693	532,636	(121,943)
4-1053 Franking Credits	-	-	-	-	-	-
4-1055 Ord Min List Interest Income	22,301	27,782	(5,480)	124,086	128,477	(4,391)
4-1056 Ord Minnett Interest Income	14,070	10,438	3,632	46,823	39,506	7,317
4-1057 Proceeds of Sale of Bonds	(2,698)	-	(2,698)	(18,073)	-	(18,073)
4-2100 Line Fee Income	-	-	-	7,125	13,687	(6,562)
4-3000 Sundry Income	8	-	8	5,321	-	5,321
Sundry Income - Other Asset classes and Ser	33,681	38,219	(4,538)	165,283	181,670	(16,387)
Total Income	136,386	162,516	(26,130)	695,229	831,341	(136,112)
5-0000 Cost Of Sales	-	-	-	-	-	-
5-2100 Interest Paid to Investors	81,893	93,127	(11,234)	409,080	494,574	(85,494)
Total Cost Of Sales	81,893	93,127	(11,234)	409,080	494,574	(85,494)
Gross Profit	54,493	69,389	(14,896)	286,149	336,767	(50,618)
Expenses						
6-0000 Provision for Annual Leave	(1,339)	-	1,339	829	-	(829)
6-1100 Provision Long Service Leave	-	1,167	(1,167)	-	5,835	5,835
6-1200 Salaries and Wages	17,475	18,750	(1,275)	86,556	93,750	(7,194)

6-1500	6-1500	Superannuation	1,617	1,781	164	8,905	819
6-1600	6-1600	Staff Training	-	-	-	400	400
6-1700	6-1700	Fund Manager Vehicle	1,224	1,500	276	7,500	1,034
		Total Employee Benefits	18,977	23,198	4,222	116,390	14,453
6-4300	6-4300	Audit Fees	1,313	1,313	1	6,565	3
6-4360	6-4360	Legal Fees	5,664	-	(5,664)	2,000	(6,017)
6-4410	6-4410	Consultancy Fees	-	-	-	-	-
		Total Professional fees	6,977	1,313	(5,664)	8,565	(6,015)
6-4400	6-4400	WBC Bank Charges	491	650	159	3,250	824
6-4402	6-4402	Indue Fees	76	-	(76)	-	(372)
6-4412	6-4412	Donations	-	-	-	-	-
6-4440	6-4440	WBC Line of Credit Charges	828	950	122	4,750	596
6-4442	6-4442	Ord Minnett Brokerage/Advice	3,757	4,000	243	18,000	2,863
6-4450	6-4450	AFSA Service Agreement Fees	9,110	9,500	390	47,500	2,181
		Total Banking Costs	14,261	15,100	839	73,500	6,092
6-4510	6-4510	Insurance - Workers Comp	260	534	273	2,670	1,387
6-4530	6-4530	Insurance - General	824	920	96	4,600	585
		Total insurance costs	1,085	1,454	369	7,270	1,971
6-4200	6-4200	Advertising	-	200	200	1,000	453
6-4425	6-4425	Depreciation Expense	439	200	(239)	1,000	166
6-4600	6-4600	Meeting Expenses	145	140	(5)	700	261
6-4610	6-4610	Marketing	-	400	400	2,000	2,000
6-4700	6-4700	Postage	142	175	33	1,800	1,239
6-4800	6-4800	Printing & Stationery	769	1,000	231	5,000	2,194
6-4850	6-4850	Recruitment Expenses	-	-	-	-	-
6-4900	6-4900	Rent/Victoria Street	433	600	167	3,000	833
6-5000	6-5000	PC Repairs & Maintenance	-	-	-	400	319
6-5100	6-5100	Telephone	130	220	90	1,100	140
6-5200	6-5200	Travel & Accommodation - Board	243	800	557	3,200	1,342
6-5300	6-5300	Travel & Accommodation - AFGD	-	400	400	2,000	1,102
6-5310	6-5310	AFGD Staff Expenses Other	-	-	-	-	-
6-4910	6-4910	Office Fitout	5,308	-	(5,308)	8,000	2,505
		Total General Operations costs	7,610	4,135	(3,475)	29,200	12,555
		Total Expenses	48,909	45,200	(3,709)	234,925	29,056
		Operating Profit	5,584	24,189	(18,605)	101,842	(21,562)
9-0000	9-0000	Other Expenses	-	-	-	-	-
9-2200	9-2200	Contribution to Diocese	14,600	14,600	-	73,000	-
		Total Other Expenses	14,600	14,600	-	73,000	-
		Net Profit/(Loss) after distribution	(9,016)	9,589	(18,605)	28,842	(21,562)

Anglican Funds Crafton Diocese
 Level 1 - 50 Victoria Street
 Crafton 2460
 NSW

Profit & Loss Statement
 January 2017 through December 2017

	Jan	Feb	Mar	Apr	May	YTD	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Forecast	Budget	Variance
	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget			
Income																
4-0000																
4-1010 4-1010 Interest Received - Investment	0	0	0	0	0	0	11,030	18,124	14,387	13,200	18,685	16,274	14,014	105,715	222,748	(117,033)
4-1011 4-1011 Interest Recd - NAB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4-1012 4-1012 Interest Recd - AFSA	353	320	356	345	357	1,732	0	0	0	0	0	0	0	1,732	0	1,732
4-1013 4-1013 Interest Recd - AFSA	6,918	11,010	12,075	10,308	8,532	48,843	0	0	0	0	0	0	0	48,843	0	48,843
4-1014 4-1014 Interest recd - WBC	1,754	1,807	2,044	1,866	2,964	10,434	0	0	0	0	0	0	0	10,434	0	10,434
4-1015 4-1015 Interest Recd - AMP	2,493	3,222	3,567	6,240	7,654	23,177	0	0	0	0	0	0	0	23,177	0	23,177
4-1016 4-1016 Interest Recd - ME Bank	109	3,049	3,376	3,267	0	9,801	0	0	0	0	0	0	0	9,801	0	9,801
4-1017 4-1017 Interest Recd - BOQ	6,752	6,099	6,752	5,663	0	25,266	0	0	0	0	0	0	0	25,266	0	25,266
4-1020 4-1020 Interest Recd - Investments	18,379	25,507	28,171	27,690	19,506	119,253	11,030	18,124	14,387	13,200	18,685	16,274	14,014	224,967	222,748	2,219
4-1021 4-1021 Overdraft/LOC INT INC	23,998	7,226	8,573	8,120	11,932	59,849	105,822	109,349	109,349	105,822	109,349	105,822	109,349	814,712	1,287,500	(472,788)
4-1021 4-1021 Interest Only Loans INT INC	24,082	22,780	25,221	24,407	25,220	121,710	0	0	0	0	0	0	0	121,710	0	121,710
4-1022 4-1022 Princ & Int Loans INT INC	48,720	42,621	46,794	44,953	46,046	229,134	0	0	0	0	0	0	0	229,134	0	229,134
4-1053 4-1053 Interest Recd - Borrowers	96,801	72,626	80,588	77,480	83,199	410,693	105,822	109,349	109,349	105,822	109,349	105,822	109,349	1,165,556	1,287,500	(121,944)
4-1055 4-1055 Franking Credits	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4-1055 4-1055 Ord Min List Interest Income	0	0	78,257	23,528	22,301	124,086	26,549	27,782	27,782	27,782	27,782	26,549	27,782	316,092	320,482	(4,390)
4-1056 4-1056 Ord Min UL/Int Interest Income	28,953	35,640	-45,965	14,125	14,070	46,823	10,438	10,438	10,438	10,438	10,438	10,438	10,438	119,886	112,566	7,320
4-1057 4-1057 Proceeds of Sale of Bonds	0	0	-15,375	0	-2,698	-18,073	0	0	0	0	0	0	0	-18,073	0	(18,073)
4-2100 4-2100 Line Fee Income	0	0	7,125	0	0	7,125	13,687	0	0	13,687	0	0	13,687	48,186	54,748	(6,562)
4-3000 4-3000 Sundry Income	5,275	7	32	0	0	5,321	0	0	0	0	0	0	0	5,321	0	5,321
4-3000 4-3000 Sundry Income - Other Asset Classes and Service Fee	34,228	35,647	24,074	37,653	33,681	165,283	50,673	38,219	38,219	51,906	38,219	36,986	51,906	471,412	487,796	(16,384)
Total Income	149,408	133,780	132,832	142,822	136,386	695,229	167,525	165,693	161,556	170,928	166,253	159,082	175,269	1,861,936	1,998,044	(136,108)
5-0000 5-0000 Cost Of Sales	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5-2100 5-2100 Interest Paid to Investors	83,955	75,769	84,984	82,479	81,893	409,080	86,141	96,909	92,478	88,656	97,459	92,219	92,045	1,054,886	1,140,381	(85,495)
Total Cost Of Sales	83,955	75,769	84,984	82,479	81,893	409,080	86,141	96,909	92,478	88,656	97,459	92,219	92,045	1,054,886	1,140,381	(85,495)
Gross Profit	65,453	58,011	47,848	60,343	54,493	286,149	81,384	68,884	69,478	82,272	68,795	66,863	83,225	807,049	857,663	(50,614)
Expenses																
6-0000 6-0000 Provision for Annual Leave	1,246	1,016	1,246	-1,339	-1,339	829	0	0	0	0	0	0	0	829	0	(829)
6-1100 6-1100 Provision Long Service Leave	0	0	0	0	0	0	1,167	1,167	1,167	1,167	1,167	1,167	1,167	8,169	14,004	5,835
6-1300 6-1300 Salaries and Wages	17,022	17,563	17,022	17,475	17,475	86,556	18,750	18,750	18,750	18,750	18,750	18,750	18,750	217,806	225,000	7,194
6-1500 6-1500 Superannuation	1,617	1,617	1,617	1,617	1,617	8,086	1,781	1,781	1,781	1,781	1,781	1,781	1,781	20,554	21,375	821
6-1600 6-1600 Staff Training	0	0	0	0	0	0	400	0	0	400	0	0	400	1,600	1,600	400
6-1700 6-1700 Fund Manager Vehicle	1,295	1,326	1,303	1,317	1,224	6,466	1,500	1,500	1,500	1,500	1,500	1,500	1,500	16,966	18,000	1,034
Total Employee Benefits	21,181	21,522	21,189	19,070	18,977	101,937	23,598	23,198	23,198	23,598	23,198	23,198	23,598	265,525	279,979	14,454
6-4300 6-4300 Audit Fees	1,313	1,313	1,313	1,313	1,313	6,563	1,313	1,313	1,313	1,313	1,313	1,313	1,313	15,754	16,756	3
6-4360 6-4360 Legal Fees	9	9	2,335	0	5,664	8,017	1,000	0	0	1,000	0	0	1,000	11,017	6,000	(6,017)
6-4410 6-4410 Consultancy Fees	1,322	1,322	3,648	1,313	6,977	14,560	2,313	1,313	1,313	2,313	1,313	1,313	2,313	26,771	20,756	(6,015)
6-4400 6-4400 WBC Bank Charges	457	446	490	543	491	2,426	650	650	650	650	650	650	650	6,976	7,900	824
6-4402 6-4402 Incls Fees	26	115	107	48	76	372	0	0	0	0	0	0	0	372	0	(372)
6-4412 6-4412 Donations	0	0	0	0	0	0	0	0	0	0	0	0	0	5,000	5,000	0
6-4440 6-4440 WBC Line of Credit Charges	828	748	948	801	828	4,154	950	950	950	950	950	950	950	10,804	11,400	596
6-4442 6-4442 Ord Minnett Brokers/Advice	2,696	2,667	3,117	3,000	3,757	15,137	4,000	4,000	4,000	4,000	4,000	4,000	4,000	43,137	46,000	2,863
6-4450 6-4450 AFSA Service Agreement Fees	9,099	8,908	9,292	9,000	9,110	45,319	9,500	9,500	9,500	9,500	9,500	9,500	9,500	111,819	114,000	2,181
Total Banking Costs	12,916	12,883	13,954	13,393	14,261	67,408	15,100	15,100	15,100	15,100	20,100	15,100	15,100	178,108	184,200	6,092
6-4510 6-4510 Insurance - Workers Comp	254	254	254	261	260	1,283	534	534	534	534	534	534	534	5,020	6,406	1,386
6-4530 6-4530 Insurance - General	824	745	824	798	824	4,015	920	920	920	920	920	920	920	8,615	9,200	585

6-4200 6-4200	1,078	999	1,078	1,059	1,085	5,299	1,454	1,454	1,454	534	13,635	15,606	1,971
6-4225 6-4425	0	337	0	210	0	547	200	200	200	200	1,947	2,400	453
6-4600 6-4600	0	132	132	132	439	834	200	200	200	200	2,234	2,400	166
6-4610 6-4610	0	0	169	125	145	439	140	140	140	140	1,419	1,680	261
6-4700 6-4700	0	0	0	0	0	0	400	400	400	400	2,800	4,800	2,000
6-4800 6-4800	0	151	122	146	142	561	175	175	175	175	2,936	4,175	1,239
6-4850 6-4850	130	512	906	489	769	2,806	1,000	1,000	1,000	1,000	9,806	12,000	2,194
6-4900 6-4900	433	433	433	433	433	2,167	600	600	600	600	6,367	7,200	833
6-5000 6-5000	0	81	0	0	0	81	400	400	400	400	1,281	1,600	319
6-5100 6-5100	207	213	211	199	130	960	220	220	220	220	2,500	2,640	140
6-5200 6-5200	0	832	0	783	243	1,858	800	800	800	800	6,658	8,000	1,342
6-5300 6-5300	0	589	57	252	0	898	400	400	400	400	3,698	4,800	1,102
6-5310 6-5310	0	0	0	0	0	0	0	0	0	0	0	0	0
6-4910 6-4910	186	0	0	0	5,308	5,495	0	0	0	0	5,495	8,000	2,505
Total General Operations costs	956	3,290	2,030	2,769	7,610	16,645	4,535	4,535	4,380	4,135	47,140	59,695	12,555
Total Expenses	37,453	40,005	41,899	37,603	48,909	205,869	47,000	46,125	47,000	44,280	531,179	560,236	29,057
Total Net Profit	28,001	18,006	5,949	22,740	5,584	80,280	34,384	22,759	18,369	22,583	275,870	297,427	(21,557)
9-0000 9-0000	0	0	0	0	0	0	0	0	0	0	0	0	0
9-2200 9-2200	14,600	14,600	14,600	14,600	14,600	73,000	14,600	14,600	14,600	14,600	175,000	175,000	0
Total Other Expenses	14,600	14,600	14,600	14,600	14,600	73,000	14,600	14,600	14,600	14,600	175,000	175,000	0
Net Profit/(Loss) after distribution	13,401	3,406	-8,651	8,140	-9,016	7,280	19,784	8,159	3,769	7,983	100,870	122,427	(21,557)

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street
Grafton 2460
NSW

Balance Sheet [Multi-Period]

January 2017 To May 2017

Account No.	Account Name	January	February	March	April	May
	Current Assets					
1-1105	WBC 032537 247819 Operating Ac	27,061	8,775	19,767	8,356	1,928
1-3130	WBC Term Invested Funds	900,000	900,000	900,000	900,000	900,000
1-3146	Ord Minnett-List Cash Account	51,381	74,248	868,976	48,907	218,780
1-3147	Ord Minnett-Global Cash Trust	8,033	8,033	1,000	13,292	24,339
	Current Assets	986,475	991,055	1,789,743	970,554	1,145,047
1-1110	WBC 032537 120455 Client Chq	159,144	220,054	131,462	136,520	95,759
1-1130	AFSA Float SAV00000202	1,074,884	362,538	309,211	214,008	342,330
1-1137	Daily Txns Unproc'd in Phoenix	-51,472	-125,553	-43,007	-152,292	8,392
1-1160	WBC 032537 163017 Cash Managem	107,099	202,018	197,126	2,612,217	2,029,267
1-1165	Melb DIF 30 day term	7,000,000	5,250,000	7,750,000	3,500,000	2,750,000
1-3111	AMP Term Investment	1,500,000	1,500,000	1,500,000	3,250,000	3,250,000
1-3112	ME Bank Term Investment	1,500,000	1,500,000	1,500,000	1,500,000	0
1-3113	BOQ Term Investment	3,000,000	3,000,000	3,000,000	0	0
1-3120	AFSA Security Dep SAV00000203	239,479	239,799	240,155	240,501	240,857
		14,529,134	12,148,855	14,584,947	11,300,954	8,716,605
1-3145	Ord Minnett-Listed Investments	7,572,198	8,823,214	6,477,266	6,477,266	6,330,166
1-3148	Ord Minn-Global Investments	0	0	2,556,660	3,588,590	3,588,590
	Investors - Interest Bearing Securities	7,572,198	8,823,214	9,033,926	10,065,856	9,918,756
1-1170	Accrued Int Receivable Investm	61,960	91,128	67,921	55,532	63,828
1-1171	Ord Min List Accrued Int Rec	0	0	0	10,168	6,561
1-1172	Ord Min U/List Accrued Int Rec	0	0	0	1,833	4,856
1-1400	Prepaid Insurance	7,259	6,515	5,691	4,893	4,068
1-1700	Other Prepayments	2,500	2,500	1,044	0	0
1-2000	Trade Debtors	5,275	0	0	0	0
		76,994	100,143	74,656	72,427	79,313
1-2510	Vehicles - at Cost	0	0	0	0	30,536
1-2520	Vehicles - Accum dep	0	0	0	0	-307
1-2710	Furniture & Fixtures Orig Cost	724	724	724	724	724
1-2720	Furniture & Fixtures Accum Dep	-724	-724	-724	-724	-724
1-2810	Computer Hardware	28,219	28,219	28,219	28,219	28,219
1-2820	Acc Depn Computer Hardware	-23,529	-23,661	-23,793	-23,925	-24,056
1-2910	Computer Software	60,500	60,500	60,500	60,500	60,500
1-2920	Acc Depn - Comptr Software	-60,500	-60,500	-60,500	-60,500	-60,500
	Fixed Assets Current	4,690	4,558	4,426	4,295	34,392
	Loan Assets					
1-3155	Line of Credit - O/D	1,714,310	1,942,865	1,388,205	2,656,994	3,563,591
1-3160	Loan Advances	5,200,860	5,200,322	5,202,763	5,201,949	5,202,763
1-3170	Loan Advances - P & I	10,813,507	10,731,289	10,626,883	10,595,305	10,412,286
	Loan Assets	17,728,677	17,874,476	17,217,851	18,454,249	19,178,640
1-3199	Financial Assets Current - Adj	-15,104,496	-15,104,496	-15,104,496	-15,104,496	-15,104,496
1-4110	Financial Assets Non Current	15,104,496	15,104,496	15,104,496	15,104,496	15,104,496
		0	0	0	0	0
	Total Assets	40,898,168	39,942,302	42,705,549	40,868,334	39,072,752

Liabilities						
Current Liabilities						
2-1004	Audit Costs	12,063	13,375	14,688	16,000	6,563
2-1200	Accounts payable	9,392	133	11,188	38	34,985
2-1915	Accrued Expenses	12,335	11,935	3,117	12,273	12,630
Current Liabilities		33,790	25,443	28,993	28,311	54,178
2-1101	2243130 Access Acc INT PAY	51	96	130	175	221
2-1102	2243131 Inst Acc INT PAY	43	85	134	183	235
2-1103	2243132 Student Acc INT PAY	0	1	1	2	2
2-1104	2243133 Parish Prov INT PAY	35	75	109	141	175
		130	256	375	500	633
2-1221	2243310 Term 90 Days INT PAY	13,789	21,941	28,657	22,666	24,546
2-1222	2243320 Term 180 days INT PAY	30,446	44,472	59,464	71,200	84,698
2-1223	2243330 Term 365 days INT PAY	187,744	198,466	215,957	214,086	219,611
2-1224	2243340 Negotiable INT PAY	17	31	3	20	37
2-1225	235 Fixed Inv - 18 Month INT P	22,163	5,507	7,689	11,363	13,187
		254,158	270,416	311,771	319,334	342,079
2-1710	2103300 Access Accounts	313,859	289,824	259,304	278,723	275,107
2-1715	2103310 Institution Access	123,304	129,678	138,561	136,370	143,222
2-1720	2103320 Student Access	4,531	4,531	4,531	4,531	4,531
2-1725	2103330 Parish Provider Access	5,322	3,164	5,539	4,009	6,582
2-1730	2103350 Interest Free Deposits	7,740	5,996	6,830	7,046	6,034
2-1735	2103370 Chq Acc Parishes	867,059	798,170	827,468	879,667	924,059
2-1740	2103380 Chq Acc Ministry	1,162,251	988,148	1,079,947	1,063,308	1,119,951
2-1745	2103400 Anglican Affiliates	1,735,462	1,120,744	2,228,529	2,199,049	764,562
2-1750	139 Parishes CMA	893,881	869,378	847,418	834,955	769,895
2-1751	Next Gen Bonus Saver	42,574	43,776	44,313	45,865	49,218
2-1756	2103420 Clergy Access Account	198,373	206,384	220,506	229,307	222,143
Investor Funds Fin Liab Current		5,354,355	4,459,793	5,662,947	5,682,830	4,285,304
2-1755	2183310 Term Inv 90 days	7,466,255	7,372,787	8,395,074	7,005,373	6,685,339
2-1760	2183320 Term Inv 180 days	9,414,580	9,446,351	10,531,980	10,217,679	10,073,763
2-1765	2183330 Term Inv 365 days	15,164,218	15,136,764	14,552,182	14,385,673	14,409,047
2-1770	2183341 Neg Inv Mat bal	6,439	6,439	7,500	7,500	7,500
		32,051,491	31,962,340	33,486,735	31,616,225	31,175,649
Sundry Liabilities						
2-1910	Accrued Annual Leave	6,152	7,168	8,414	7,075	5,736
2-1911	Accrued Long Service Leave	5,942	5,942	5,942	5,942	5,942
2-3030	GST from purchases	-534	-936	-382	-777	-2,480
Sundry Liabilities		11,561	12,174	13,974	12,240	9,197
Other Long Term Liabilities						
2-2310	2183350 Fixed 18 Mths	1,905,635	1,921,425	1,923,698	1,923,698	1,926,331
2-9999	Westpac Unknown transactions	224	224	224	224	224
Other Long Term Liabilities		1,905,859	1,921,649	1,923,922	1,923,922	1,926,555
Total Liabilities		39,611,345	38,652,072	41,428,717	39,583,362	37,793,595
Net Assets		1,286,824	1,290,230	1,276,832	1,284,972	1,279,157
Equity						
3-7000	Revaluation Financial Assets	34,970	34,970	30,224	30,224	33,424
3-8000	Retained Earnings	1,238,452	1,238,452	1,238,452	1,238,452	1,238,452
3-9000	Current Earnings	13,401	16,807	8,156	16,296	7,280
Total Equity		1,286,824	1,290,230	1,276,832	1,284,972	1,279,157

31-May-17

Loan Book Data

	Loans	Unsecured	Limits	Unutilised/Not Drawn
COM 730 436032770 Secondary Campus Stage 2	\$ 1,767,999.60			
COM 730 436040020 Stage 3 Building Loan	\$ 162,254.56			
COM 730 436040021 Stage 4 Building Loan	\$ 1,377,724.93			
COM 730 436040019 Stage 2 Building Loan	\$ 231,840.18			
COM 730 436040056 CTS Pastoral Care & Assistance	\$ 1,110,454.24			
COM 730 436040136 Stanley St Unit Purchase	\$ 552,489.30			
COM 731 436040089 6 McLean St, Coff's Harbour NSW	\$ 173,879.30			
COM 731 436034140 Deed Of Gift Loan 2	\$ 5,124.76			
COM 731 436034254 Surplus Debit - 2nd Tranche	\$ 1,007,328.83			
COM 731 436040050 Server Upgrade Primary & Seco	\$ 373,945.13			
COM 731 436040052 Refinance of Solar Panel Loan	\$ 11,476.76			
COM 731 436040129 Administration & Classrooms	\$ 92,478.19			
COM 731 436040059 Principal and interest loan	\$ 2,474,238.94			
COM 731 436040113 Rectory Loan	\$ 372,152.30			
COM 731 436040042 Rectory Loan	\$ 150,632.80			
COM 731 436040009 Building Loan Stage 2	\$ 35,458.88			
COM 731 436040011 Middle School Stage 4	\$ 663,115.23			
COM 731 436040010 Library Stage 3	\$ 53,757.75			
COM 731 436040012 Stage 5	\$ 294,981.26			
COM 731 436040013 Stage 6	\$ 837,740.81			
COM 731 436040015 Building Loan Stage 7	\$ 767,470.49			
COM 731 436040014 Admin Building Stage 6b.1	\$ 612,965.73			
COM 731 436040077 CCELC Purchase	\$ 2,389,434.36			
COM 731 436040027 Clergy Car Loan	\$ 6,644.35			
COM 731 436040066 Clergy Car Loan	\$ 20,415.35			
COM 731 436040036 Dorrigo Parish M A Ridge Car L	\$ 7,533.66			
COM 731 436040074 Clergy Car Loan	\$ 10,806.89			
COM 731 436040076 Clergy Car Loan	\$ 14,852.76			
COM 731 436040065 Clergy Car Loan	\$ 1,057.17			
COM 731 436040087 Clergy Car Loan	\$ 19,551.48			
COM 731 436040071 Clergy Car Loan	\$ 15,245.02			
OD 535 438040007 Annual Insurance Premium Fundi	\$ -	\$ -	\$ 450,000.00	\$ 450,000.00
OD 535 438040004 Line of Credit	\$ 330,758.40	\$ -	\$ 850,000.00	\$ 519,241.60
OD 535 438040015 Working Capital & Residual Fun	\$ 28,433.00	\$ -	\$ 3,100,000.00	\$ 3,071,567.00
OD 535 438040010 Working Capital	\$ 131,342.79	\$ -	\$ 200,000.00	\$ 68,657.21
OD 535 438040008 Line of Credit	\$ 3,073,056.41	\$ -	\$ 7,500,000.00	\$ 4,426,943.59
OD 535 438040006 Pastoral Care & Assistance Sch	\$ -	\$ -	\$ 100,000.00	\$ 100,000.00
OD 535 438040017 Line of Credit	\$ -	\$ -	\$ 190,000.00	\$ 190,000.00

Largest exposure
 St Columba Anglican School
 includes full OD limit
 \$ 13,154,922.51
 Balance of OD only
 \$ 8,727,978.92

\$ 19,178,633.21	\$ -	\$ 15,204,000.00	\$ 8,926,009.60
\$ 28,095,050.01			
\$ 15,835,609.01			

Total Loan Book assets

Excludes redraw

Loans only

AFGD Loan portfolio as at 31/05/2017 excludes OD's

Appendix CF-3

Report Date: 31-05-17

acct_no	acct_desc	Open Date	Amount Borrowed	Balance \$	Loan Weight %	End Date	Base	Margin	Rate	Yrs to Maturity	Weighted Yrs				
436032770	Secondary Campus Stage 2	10-05-2005	1,758,979.66	1,758,568.47	11.40%	31-12-2037	7.00 -	0.70	6.30	20.600	2.35				
436040019	Stage 2 Building Loan	30-04-2013	405,163.30	230,781.22	1.50%	30-04-2021	7.00 -	1.59	5.41	3.918	0.06				
436040020	Stage 3 Building Loan	30-04-2013	257,533.50	161,513.66	1.05%	30-04-2022	7.00 -	1.59	5.41	4.918	0.05				
436040021	Stage 4 Building Loan	30-04-2013	1,672,479.06	1,371,432.86	8.89%	30-04-2025	7.00 -	1.59	5.41	7.921	0.70				
436040056	CTS Pastoral Care & Assista	28-11-2014	1,600,000.00	1,110,454.24	7.20%	28-05-2017	7.00 -	1.45	5.55	-0.008	0.00				
436040136	Stanley St Unit Purchase	25-01-2017	550,000.00	550,000.00	3.57%	25-01-2047	7.00 -	1.66	5.34	29.674	1.06				
436034140	Deed Of Gift Loan 2	20-05-2011	2,108,865.05	980,223.28	6.36%	31-12-2022	7.00 -	2.08	4.92	5.589	0.36				
436034254	Surplus Debit - 2nd Tranche	14-03-2012	1,190,001.32	371,883.39	2.41%	28-03-2037	7.00 -	0.70	6.30	19.838	0.48				
436040009	Building Loan Stage 2	02-04-2013	804,200.62	17,693.94	0.11%	02-08-2017	7.00 -	2.27	4.73	0.173	0.00				
436040010	Library Stage 3	02-04-2013	307,605.07	47,688.44	0.31%	02-03-2018	7.00 -	2.42	4.58	0.753	0.00				
436040011	Middle School Stage 4	02-04-2013	1,003,682.80	652,361.15	4.23%	02-05-2023	7.00 -	2.02	4.98	5.923	0.25				
436040012	Stage 5	02-04-2013	432,389.82	290,518.00	1.88%	02-11-2023	7.00 -	2.02	4.98	6.427	0.12				
436040013	Stage 6	02-04-2013	1,209,360.63	825,468.83	5.35%	02-03-2024	7.00 -	2.02	4.98	6.759	0.36				
436040014	Admin Building Stage 6b.1	02-04-2013	786,598.41	606,237.56	3.93%	02-01-2027	7.00 -	2.02	4.98	9.597	0.38				
436040015	Building Loan Stage 7	02-04-2013	959,563.76	759,720.16	4.93%	10-12-2027	7.00 -	2.02	4.98	10.534	0.52				
436040027	Clergy Car Loan	15-07-2013	25,622.36	6,644.35	0.04%	15-07-2018	7.00	1.70	8.70	1.123	0.00				
436040036	Dorrigo Parish MA Ridge C	20-01-2014	20,000.00	7,533.66	0.05%	20-01-2019	7.00	1.45	8.45	1.641	0.00				
436040050	Server Upgrade Primary & S	23-06-2014	65,760.64	9,868.04	0.06%	23-06-2018	7.00	0.30	7.30	1.063	0.00				
436040052	Refinance of Solar Panel Lo	01-08-2014	146,000.00	90,045.19	0.58%	01-02-2021	7.00	0.30	7.30	3.677	0.02				
436040059		18-12-2014	1,200,000.00	360,806.78	2.34%	18-12-2026	7.00 -	1.50	5.50	9.556	0.22				
436040065	Clergy Car Loan	07-08-2015	8,000.00	702.95	0.00%	07-08-2017	7.00 -	1.00	6.00	0.186	0.00				
436040066	Clergy Car Loan	01-10-2015	41,070.86	19,166.00	0.12%	01-10-2018	7.00 -	1.00	6.00	1.337	0.00				
436040067	Clergy Car Loan	18-11-2015	37,346.00	18,418.69	0.12%	18-11-2018	7.00 -	1.00	6.00	1.468	0.00				
436040069	6 McLean St, Coffis Harbour	01-12-2015	194,000.00	3,628.11	0.02%	01-12-2031	7.00 -	1.95	5.05	14.512	0.00				
436040071	Clergy Car Loan	15-01-2016	20,000.00	15,245.02	0.10%	15-02-2021	7.00 -	1.00	6.00	3.715	0.00				
436040074	Clergy Car Loan	16-03-2016	24,995.00	9,701.76	0.06%	16-03-2018	7.00 -	1.00	6.00	0.792	0.00				
436040076	Clergy Car Loan	30-03-2016	25,000.00	14,268.46	0.09%	30-03-2020	7.00 -	1.00	6.00	2.833	0.00				
436040077	CCELC Purchase	31-03-2016	3,100,000.00	2,356,734.18	15.28%	31-03-2026	7.00 -	2.02	4.98	8.838	1.35				
436040113	Rectory Loan	23-08-2016	157,534.35	150,632.80	0.98%	23-08-2031	7.00 -	1.95	5.05	14.238	0.14				
436040129	Administration & Classroom	03-01-2017	2,500,000.00	2,453,752.66	15.91%	03-01-2032	7.00 -	1.44	5.56	14.603	2.32				
436040139	Refinance 10 Cotswold Clo	19-04-17	174,000.00	172,729.89	1.12%	19-04-37	7.00 -	1.95	5.05	19.899	0.22				
										AVERAGE	7.073	AVERAGE	10.76	WEIGHTED	
										100.00%					

WEIGHTED Average Term to Maturity (years)	10.76
Average Term to Maturity (years)	7.07

AFGD FIXED INVESTMENT RETENTION RATES

Month 000'S	Year of review 2013		Year of review 2014		Year of review 2015		Year of review 2016	
	Book balance	Value redeemed %	Book balance	Value redeemed %	Book balance	Value redeemed %	Book balance	Value redeemed %
January	\$ 30,216.5	No Data	\$ 29,896.7	\$ 347.3 1.16%	\$ 30,322.6	\$ 167.1 0.55%	\$ 32,873.5	\$ 105.1 0.32%
February	\$ 29,989.5	No Data	\$ 29,780.7	\$ - 0.00%	\$ 30,528.8	\$ 318.9 1.04%	\$ 32,807.6	\$ 175.4 0.53%
March	\$ 29,592.5	No Data	\$ 29,910.9	\$ 17.2 0.06%	\$ 30,551.3	\$ 397.8 1.30%	\$ 32,608.8	\$ 17.5 0.05%
April	\$ 29,541.3	\$ 69.0 0.23%	\$ 29,909.5	\$ 62.0 0.21%	\$ 29,931.4	\$ 241.3 0.81%	\$ 33,070.7	\$ 57.1 0.17%
May	\$ 29,612.0	\$ - 0.00%	\$ 29,074.2	\$ 34.3 0.12%	\$ 30,070.1	\$ 40.7 0.14%	\$ 33,205.6	\$ 29.1 0.09%
June	\$ 29,274.8	\$ - 0.00%	\$ 28,784.5	\$ 66.4 0.23%	\$ 29,809.4	\$ 141.7 0.48%	\$ 33,294.0	\$ 58.9 0.18%
July	\$ 29,394.3	\$ - 0.00%	\$ 28,878.5	\$ 36.8 0.13%	\$ 30,225.6	\$ - 0.00%	\$ 33,360.9	\$ 145.7 0.44%
August	\$ 31,197.9	\$ 182.2 0.58%	\$ 29,034.5	\$ - 0.00%	\$ 30,293.4	\$ 48.1 0.16%	\$ 33,351.5	\$ 157.2 0.47%
September	\$ 31,315.1	\$ - 0.00%	\$ 29,582.2	\$ 101.6 0.34%	\$ 30,336.9	\$ 197.8 0.65%	\$ 32,984.6	\$ 207.9 0.63%
October	\$ 30,980.6	\$ 353.5 1.14%	\$ 29,965.5	\$ 179.8 0.60%	\$ 31,787.9	\$ 138.2 0.43%	\$ 32,559.7	\$ 249.8 0.77%
November	\$ 31,178.7	\$ 309.5 0.99%	\$ 30,146.4	\$ 91.9 0.30%	\$ 32,627.8	\$ 268.4 0.82%	\$ 32,518.3	\$ 217.5 0.67%
December	\$ 29,721.6	\$ 847.2 2.85%	\$ 30,366.4	\$ 48.8 0.16%	\$ 33,610.1	\$ 60.2 0.18%	\$ 32,968.2	\$ 53.5 0.16%
Month 000'S	Year of review 2017		Year of review 2018		Year of review 2019		Year of review 2020	
	Book balance	Value redeemed %	Book balance	Value redeemed %	Book balance	Value redeemed %	Book balance	Value redeemed %
January	\$ 33,957.1	\$ 27.1 0.08%		#DIV/0!		#DIV/0!		#DIV/0!
February	\$ 33,883.8	\$ 58.5 0.17%		#DIV/0!		#DIV/0!		#DIV/0!
March	\$ 35,410.4	\$ 722.6 2.04%		#DIV/0!		#DIV/0!		#DIV/0!
April	\$ 33,539.9	\$ 697.9 2.08%		#DIV/0!		#DIV/0!		#DIV/0!
May	\$ 33,102.0	\$ 30.1 0.09%		#DIV/0!		#DIV/0!		#DIV/0!
June		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
July		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
August		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
September		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
October		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
November		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!
December		#DIV/0!		#DIV/0!		#DIV/0!		#DIV/0!

Asset classes indicative return		31-05-17		
		Interest rate	Balance	Indicative annual income
Loan Portfolio			19,178,669.61	
COM 730	Interest Only	5.735%	5,202,792.81	
COM 730	P&I	5.213%	10,412,286.20	
SAV 138	Exceed Limit	0.000%	-	
SAV 138	Within Limit	5.094%	3,563,590.60	
Diversified Investment Portfolio				
Ord Minnett		4.280%	10,118,312.82	
Cash at Bank				
1-1105	WBC Operating Acc	0.10%	1,927.58	
1-1110	WBC Client Acc	0.10%	95,758.62	
1-1130	AFSA Float	0.00%	342,329.93	
1-1137	Unprocessed Phoenix	0.00%		
1-1160	WBC Cash Mgmt Acc	0.60%	2,029,266.79	
1-1162	WBC 31 Day	2.65%		
1-1163	WBC 60 Day	2.75%		
1-3120	AFSA Sec Deposit	1.74%	240,857.22	
1-3130	WBC Term Inv	2.50%	100,000.00	
	WBC Term Inv	2.50%	800,000.00	
	ME Bank	2.65%	-	
	BOQ	2.65%	-	
	AMP	2.80%	750,000.00	
	AMP	2.75%	750,000.00	
	AMP	2.75%	1,000,000.00	
	AMP	2.80%	750,000.00	
	Melbourne DIF	2.50%	2,750,000.00	
			9,610,140.14	19,728,452.96
			38,907,122.57	
Loans and investments weighted average			4.250%	1,653,604.94
Loan Portfolio			5.332%	1,022,701.95
Diversified Investment Portfolio			4.280%	433,063.79
Cash at Bank			2.059%	197,839.20
				1,653,604.94



BOARD MEETING DATE:

27/07/2017

No 9 Matters for Noting

Item: b

Title: Financial Reports – as at 30/06/17

No of Pages. 17 incl Header

AFGD Dashboard

AFGD Dashboard - as at 30-06-17

Margins & Cost of Funds (COF)				
	30-06-17	31-05-17	Variance	Comment
Loans	5.265%	5.334%	-0.069%	Portfolio too heavily weighted in cash
Ord Minnett	4.360%	4.280%	0.080%	Waiting for LAGS to settle
Cash	1.658%	2.059%	-0.401%	
Ave Return on assets	4.354%	4.231%	0.123%	
Savings	1.057%	0.953%	0.104%	
Investment	2.700%	2.718%	-0.018%	
Ave weighted COF	2.488%	2.516%	-0.028%	
Margin	1.866%	1.734%	0.132%	Strategic Plan benchmark 1.75% to high of 2.50%

Ord Minnett Portfolio Summary (000's)			Comments
MV	Cost base	Movement	
30-06-17			Portfolio MV is holding.
\$ 10,261.20	\$ 10,182.07	\$ 79.13	Revaluation occurs quarterly -
Income			
YTD Actual	Annualised	Gross Yield	Cash flow forecast indicates gross income to be \$428K. This annualised result will smooth as year progresses
\$ 221.76	\$ 443.51	4.36%	Anticipated Gross yield 4.25%
Cashflow	\$ 449.63	4.42%	
Fees			
YTD Actual	Annualised	%	Agreement is .40% - tracking to plan
\$ 18.38	\$ 36.76	0.36%	

Capital Adequacy - target is 10%				
	30-06-17	31-05-17	Variation	% below min target
Total Equity	1,305.4	1,279.2	\$ 26.20	Change in financial assets revaluation
Risk Weighted Assets	19,714.9	19,943.6	-\$ 228.70	has improved position from prior month.
Capital Adequacy	6.62%	6.41%	0.21%	3.38%

Total Deposits & Lending (\$000's)				Cash & Investments	
	30-06-17	31-05-17	Variation	\$ 000's	
Deposits	\$ 37,189.6	\$ 37,387.3	-\$ 198	AFSA	873.2
addback				Westpac	3,345.1
re-draw funds	\$ -	\$ -		ORD Minnett	10,435.3
	\$ 37,189.6	\$ 37,387.3		Melb DIF	1,250.0
				BOQ	-
Lending	\$ 27,690.1	\$ 28,005.0	-\$ 315	ME Bank	-
addback				AMP	1,750.0
re-draw funds	\$ -	\$ -			17,653.6
	\$ 27,690.1	\$ 28,005.0		% holding	
				AFSA	4.95%
				Westpac	18.95%
				ORD Minnett	59.11%
				AMP	9.91%
				Melb DIF	7.08%
Cash/ Investment	\$ 17,653.6	\$ 19,728.5	-\$ 2,075	BOQ	0.00%
LOC facilities	\$ 1,800.0	\$ 1,800.0	\$ -	ME Bank	0.00%
Total available	\$ 18,253.6	\$ 21,328.5	-\$ 2,075		100.00%
Liquidity Ratio	51.77%	57.05%	-5.28%		

P & L Summary - Month in isolation (\$000's)				
	Actual 30-06-17	Budget for 30-06-17	Variation	Explanation
All income	\$ 109.7	\$ 167.5	-\$ 57.8	Income Delays in refinancing of BDC has reduced income
Expenses	\$ 117.4	\$ 133.1	-\$ 15.7	Expenses Realised loss Ord \$34K impacted
Net profit	-\$ 7.7	\$ 34.4	-\$ 42.1	Expenses Savings achieved interest paid
Contrib Diocese	\$ 14.6	\$ 14.6	\$ -	investors and general operating expenses
Balance after Dist	-\$ 22.3	\$ 19.8	-\$ 42.1	

P & L Summary - YTD (\$000's)				
	Actual as at 30-06-17	Budget as at 30-06-17	Variation	Explanation
All income	\$ 804.9	\$ 998.9	-\$ 194.0	Income Delays in refinancing of BDC has reduced income
Expenses	\$ 732.3	\$ 662.7	-\$ 130.4	Expenses Realised loss Ord \$52K impacted
Net profit	\$ 72.6	\$ 136.2	-\$ 63.6	Expenses Savings achieved interest paid
Contrib Diocese	\$ 87.6	\$ 87.6	\$ -	investors and general operating expenses.
Balance after Dist	-\$ 15.0	\$ 48.6	-\$ 63.6	Legals significant one off \$8K - ASIC

Capital Adequacy: (Target > 10% of Risk Weighted Assets)

Assets		Weighting	Asset Value	RWA
Cash (Govt. Securities, A Rated Aust. Banks)		10%	\$ 7,218,312	\$ 721,831
Cash (Other Aust. Banks, ADI's)		20%	\$ -	\$ -
Anglican Loans -Unsecured		100%	\$ -	\$ -
Anglican Loans -Secured	\$ 21,308,738	50%	\$ 21,308,738	\$ 10,654,369
Undrawn Anglican Loans -Secured		50%	\$ 6,381,389	\$ 3,190,694
redraw funds available		50%	\$ -	\$ -
External Loans - Secured Commercial property		100%	\$ -	\$ -
Undrawn Ext. Loans - Secured Commercial property		100%	\$ -	\$ -
Equities		400%	\$ -	\$ -
Ord Minnett Subordinated Notes		50%	\$ 10,261,200	\$ 5,130,600
Other Investments		300%	\$ -	\$ -
Ord Cash		10%	\$ 174,051	\$ 17,405
Total Assets			\$ 45,343,689	\$ 19,714,900

N.B. As Asset Values include undrawn loans, figures won't reconcile with the Balance Sheet.

Risk Concentration:

Internal loans (< 30% of Total Assets)

		Total Assets:	Limit Amount:
Limit	30%	\$ 45,343,689	\$ 13,603,107
Loans > 30% of TA		\$ 13,154,161	

200% -\$ 448,946 \$ -

External loans (< 5% of Total Assets)

		Total Assets:	Limit Amount:
Limit	5%	\$ -	\$ -
Loans > 5% of TA		\$ -	\$ -

400% \$ - \$ -
Total Risk Weighted Assets \$ 19,714,900

8% \$ 1,577,192

+ 2% Buffer \$ 394,298

Required Capital 10% \$ 1,971,490

Equity:

2016 draft	Accumulated Funds	\$ 1,238,452
	Asset Reserves	\$ 81,965
	Adjustments	
Management results	YTD profit after distribution	-\$ 14,993
	Total Equity	\$ 1,305,424
	"Surplus" Capital	-\$ 666,066
	Actual Capital Adequacy ratio	6.62%

Liquidity (> 10% of Total Assets):

Total Assets:		\$ 45,348,247
Minimum Liquidity requirement	10%	\$ 4,534,825
Actual position:		
Cash		\$ 7,392,362
Undrawn Bank OD Facility		\$ 1,600,000
Total Actual Liquidity		\$ 8,992,362
"Surplus" Liquidity		\$ 4,457,538
Actual Liquidity Ratio		19.8%

Anglican Funds Grafton Diocese
Level 1 - 50 Victoria Street
Grafton, 2460
NSW

Month and YTD Budget Variance
June 2017

	Jun	Jun	Jun	YTD	YTD	YTD	YTD	YTD	Reason
	Actual	Budget	Variance	Actual	Budget	Variance	Variance %		
4-0000									
Income									
Interest Recd - Investments	10,557	11,030	(473)	129,810	128,065	1,745	1%		
Interest Recd - Borrowers	88,617	105,822	(17,205)	499,310	638,458	(139,148)	-22%	Debt position overstated due to BDC delay to be replaced with time lag by LAGS	
Sundry Income - Other Asset classes and Ser	10,516	50,673	(40,157)	175,799	232,344	(56,545)	-24%	Maturity of holdings loss not factored into budget will impact forecast \$53K	
Total Income	109,690	167,525	(57,835)	804,919	998,867	(193,948)	-19%	Position down on anticipated budget position is a concern.	
Total Cost Of Sales	77,201	86,141	8,940	486,280	580,715	94,435	16%	Savings achieved in interest paid investors offsets above position.	
Gross Profit	32,489	81,384	(48,895)	318,638	418,152	(99,514)	-24%	Position should improve from July 17 through to Dec 17 closing the gap.	
6-6-0000									
Expenses									
Total Employee Benefits	20,342	23,598	3,256	122,280	139,988	17,708	13%	Due to lean structuring	
Total Professional Fees	1,313	2,313	1,001	15,892	10,878	(5,014)	-46%	Legal Fees ASIC has impacted position.	
Total Banking Costs	15,587	15,100	(487)	82,995	88,600	5,605	6%	Cost being well maintained	
Total Insurance Costs	1,054	1,454	399	6,353	8,724	2,371	27%	Tracking to budget	
Total General Operations Costs	1,867	4,535	2,668	18,512	33,735	15,223	45%	Core expenses being well managed.	
Total Expenses	40,162	47,000	6,838	246,031	281,925	35,894	13%		
Total Net Profit	-7,673	34,384	(42,057)	72,607	136,227	(63,620)	-47%	refer to sundry income impact of realised loss.	
Distribution to Diocese	14,600	14,600	-	87,600	87,600	-			
Net Profit/(Loss) after distribution	-22,273	19,784	(42,057)	-14,993	48,627	(63,620)	-213%		

Anglican Funds Grafton Diocese
 Level 1 - 30 Victoria Street
 Grafton 2460
 NSW
Profit & Loss Statement
 January 2017 through December 2017

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Forecast	Budget	Variance
4-0000															
Income															
Interest Recd - Investments	18,379	25,507	28,171	27,690	19,506	10,557	129,810	14,387	13,200	18,685	16,274	14,014	224,494	222,748	1,746
Interest Recd - Borrowers	96,801	72,626	80,588	77,480	83,199	88,617	499,310	109,349	105,822	109,349	105,822	109,349	1,148,351	1,287,500	(139,149)
Sundry Income - Other Asset classes and Ser	34,228	35,647	24,074	37,653	33,681	10,516	175,799	38,219	51,906	36,219	36,986	51,906	431,255	487,796	(56,541)
Total Income	149,408	133,780	132,832	142,822	136,386	109,690	804,919	161,956	170,928	166,253	159,082	175,269	1,894,100	1,998,044	(193,944)
Cost Of Sales															
Total Interest Paid to Investors	83,955	75,769	84,984	82,479	81,893	77,201	486,280	92,478	88,656	97,459	92,219	92,045	1,045,946	1,140,381	94,435
Gross Profit	65,453	58,011	47,848	60,343	54,493	32,489	318,638	69,478	82,272	68,795	66,863	83,225	758,154	857,663	(99,509)
Expenses															
Total Employee Benefits	21,181	21,522	21,189	19,070	18,977	20,342	122,280	23,198	23,598	23,198	23,198	23,588	262,269	279,979	17,710
Total Professional fees	1,322	1,322	3,648	1,313	6,977	1,313	15,692	1,313	2,313	1,313	1,313	2,313	25,770	20,756	(5,014)
Total Banking and Indue Costs	12,916	12,883	13,954	13,993	14,261	15,587	82,995	15,100	15,100	20,100	15,100	15,100	178,595	184,200	5,605
Total insurance costs	1,078	999	1,078	1,059	1,085	1,054	6,353	1,454	1,454	1,454	534	534	13,236	15,606	2,370
Total General Operations costs	956	3,280	2,030	2,769	7,610	1,867	18,512	4,135	4,535	4,360	4,135	3,735	44,472	59,695	15,223
Total Expenses	37,453	40,005	41,899	37,603	48,909	40,162	246,031	46,125	47,000	50,425	44,280	45,280	524,342	560,236	35,894
Total Net Profit	28,001	18,006	5,949	22,740	5,584	-7,673	72,607	24,278	35,272	18,369	22,583	37,945	233,813	297,427	(63,614)
Distribution to Diocese															
Total Other Expenses	14,600	14,600	14,600	14,600	14,600	14,600	87,600	14,600	14,600	14,600	14,600	14,400	175,000	175,000	
Net Profit/(Loss) after distribution	13,401	3,406	-8,651	8,140	-9,016	-22,273	-14,993	9,678	20,672	3,769	7,983	23,545	58,813	122,427	(63,614)

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street

Grafton 2460

NSW

Balance Sheet [Multi-Period]

January 2017 To June 2017

Account No.	Account Name	January	February	March	April	May	June
Assets							
	Current Assets	986,475	991,055	1,789,743	970,554	1,145,047	973,950
		14,529,134	12,148,855	14,584,947	11,300,954	8,716,605	6,288,725
	Investors - Interest Bearing Securities	7,572,198	8,823,214	9,033,926	10,065,856	9,918,756	10,261,740
		76,994	100,143	74,656	72,427	79,313	25,862
	Fixed Assets Current	4,690	4,558	4,426	4,295	34,392	33,742
	Loan Assets	17,728,677	17,874,476	17,217,851	18,454,249	19,178,640	21,307,945
		0	0	0	0	0	0
	Total Assets	40,898,168	39,942,302	42,705,549	40,868,334	39,072,752	38,891,963
Liabilities							
	Current Liabilities	33,790	25,443	28,993	28,311	54,178	20,234
		130	256	375	500	633	0
		254,158	270,416	311,771	319,334	342,079	361,724
	Investor Funds Fin Liab Current	5,354,355	4,459,793	5,662,947	5,682,830	4,285,304	4,781,735
		32,051,491	31,962,340	33,486,735	31,616,225	31,175,649	30,481,583
	Sundry Liabilities	11,561	12,174	13,974	12,240	9,197	11,291
	Other Long Term Liabilities	1,905,859	1,921,649	1,923,922	1,923,922	1,926,555	1,929,971
	Total Liabilities	39,611,345	38,652,072	41,428,717	39,583,362	37,793,595	37,586,538
	Net Assets	1,286,824	1,290,230	1,276,832	1,284,972	1,279,157	1,305,425
	Equity						
	Total Equity	1,286,824	1,290,230	1,276,832	1,284,972	1,279,157	1,305,425

Anglican Funds Grafton Diocese
 Level 1 - 50 Victoria Street
 Grafton 2460
 NSW

Month and YTD Budget Variance

June 2017

	June Actual	June Budget	June Variance	YTD Actual	YTD Budget	YTD Variance
4-0000						
Income						
4-1010 Interest Received - Investment	-	11,030	(11,030)	-	128,065	(128,065)
4-1011 Interest Recd - NAB	-	-	-	-	-	-
4-1012 Interest Recd - AFSA	339	-	339	2,070	-	2,070
4-1013 Interest Recd - Melb CF7963	1,082	-	1,082	49,925	-	49,925
4-1014 Interest recd - WBC	2,995	-	2,995	13,429	-	13,429
4-1015 Interest Recd - AMP	6,142	-	6,142	29,318	-	29,318
4-1016 Interest Recd - ME Bank	-	-	-	9,801	-	9,801
4-1017 Interest Recd - BOQ	-	-	-	25,266	-	25,266
Interest Recd - Investments	10,557	11,030	(473)	129,810	128,065	1,745
4-1020 Overdraft/LOC INT INC	19,936	105,822	(85,886)	79,785	638,458	(558,673)
4-1021 Interest Only Loans INT INC	23,783	-	23,783	145,493	-	145,493
4-1022 Princ & Int Loans INT INC	44,898	-	44,898	274,033	-	274,033
Interest Recd - Borrowers	88,617	105,822	(17,205)	499,310	638,458	(139,148)
4-1053 Franking Credits	-	-	-	-	-	-
4-1055 Ord Min List Interest Income	23,353	26,549	(3,196)	147,439	155,026	(7,587)
4-1056 Ord Minnett Interest Income	14,345	10,438	3,907	61,168	49,944	11,224
4-1057 Proceeds of Sale of Bonds	(34,306)	-	(34,306)	(52,379)	-	(52,379)
4-2100 Line Fee Income	7,125	13,687	(6,562)	14,250	27,374	(13,124)
4-3000 Sundry Income	-	-	-	5,321	-	5,321
Sundry Income - Other Asset classes and Ser	10,516	50,673	(40,157)	175,799	232,344	(56,545)
Total Income	109,690	167,525	(57,835)	804,919	998,867	(193,948)
5-0000 Cost Of Sales	-	-	-	-	-	-
5-2100 Interest Paid to Investors	77,201	86,141	(8,940)	486,280	580,715	(94,435)
Total Cost Of Sales	77,201	86,141	(8,940)	486,280	580,715	(94,435)
Gross Profit	32,489	81,384	(48,895)	318,638	418,152	(99,514)
Expenses						
6-0000 Provision for Annual Leave	93	-	(93)	923	-	(923)
6-1200 Provision Long Service Leave	-	1,167	1,167	-	7,002	7,002
6-1300 Salaries and Wages	17,224	18,750	(1,526)	103,780	112,500	(8,720)

6-1500	6-1500	Supernnuation	1,617	1,781	164	9,703	10,686	983
6-1600	6-1600	Staff Training	-	400	400	-	800	800
6-1700	6-1700	Fund Manager Vehicle	1,408	1,500	92	7,874	9,000	1,126
Total Employee Benefits			20,342	23,598	3,256	122,280	139,988	17,708
6-4300	6-4300	Audit Fees	1,313	1,313	1	7,875	7,878	3
6-4360	6-4360	Legal Fees	-	1,000	1,000	8,017	3,000	(5,017)
6-4410	6-4410	Consultancy Fees	-	-	-	-	-	-
Total Professional fees			1,313	2,313	1,001	15,892	10,878	(5,014)
6-4400	6-4400	WBC Bank Charges	579	650	71	3,006	3,900	894
6-4402	6-4402	Indue Fees	180	-	(180)	552	-	(552)
6-4412	6-4412	Donations	-	-	-	-	-	-
6-4440	6-4440	WBC Line of Credit Charges	921	950	29	5,075	5,700	625
6-4442	6-4442	Ord Minnett Brokerage/Advice	3,259	4,000	741	18,397	22,000	3,603
6-4450	6-4450	AFSA Service Agreement Fees	10,647	9,500	(1,147)	55,966	57,000	1,034
Total Banking Costs			15,587	15,100	(487)	82,995	88,600	5,605
6-4510	6-4510	Insurance - Workers Comp	257	534	277	1,540	3,204	1,664
6-4530	6-4530	Insurance - General	798	920	122	4,813	5,520	707
Total insurance costs			1,054	1,454	399	6,353	8,724	2,371
6-4200	6-4200	Advertising	210	200	(10)	757	1,200	443
6-4425	6-4425	Depreciation Expense	650	200	(450)	1,484	1,200	(284)
6-4600	6-4600	Meeting Expenses	61	140	79	500	840	340
6-4610	6-4610	Marketing	-	400	400	-	2,400	2,400
6-4700	6-4700	Postage	155	175	20	716	1,975	1,259
6-4800	6-4800	Printing & Stationery	14	1,000	986	2,819	6,000	3,181
6-4850	6-4850	Recruitment Expenses	-	-	-	-	-	-
6-4900	6-4900	Reni/Victoria Street	433	600	167	2,600	3,600	1,000
6-5000	6-5000	PC Repairs & Maintenance	-	400	400	81	800	719
6-5100	6-5100	Telephone	141	220	79	1,101	1,320	219
6-5200	6-5200	Travel & Accommodation - Board	-	800	800	1,858	4,000	2,142
6-5300	6-5300	Travel & Accommodation - AFGD	203	400	197	1,101	2,400	1,299
6-5310	6-5310	AFGD Staff Expenses Other	-	-	-	-	-	-
6-4910	6-4910	Office Fitout	-	-	-	5,495	8,000	2,505
Total General Operations costs			1,867	4,535	2,668	18,512	33,735	15,223
Total Expenses			40,162	47,000	6,838	246,031	281,925	35,894
Operating Profit			(7,673)	34,384	(42,057)	72,607	136,227	(63,620)
9-0000	9-0000	Other Expenses	-	-	-	-	-	-
9-2200	9-2200	Contribution to Diocese	14,600	14,600	-	87,600	87,600	-
Total Other Expenses			14,600	14,600	-	87,600	87,600	-
Net Profit/(Loss) after distribution			(22,273)	19,784	(42,057)	(14,993)	48,627	(63,620)

6-4200 6-4200	1,078	989	1,078	1,059	1,085	1,054	6,353	1,454	1,454	1,454	534	13,236	15,806	2,370
6-4425 6-4425	0	337	0	210	0	210	757	200	200	200	200	1,957	2,400	443
6-4600 6-4600	0	132	132	439	650	650	1,484	200	200	200	200	2,684	2,400	(284)
6-4610 6-4610	0	0	169	125	145	61	500	140	140	140	140	1,340	1,680	340
6-4700 6-4700	0	0	0	0	0	0	0	400	400	400	400	2,400	2,400	2,400
6-4800 6-4800	130	512	122	146	142	155	716	1,100	1,100	1,100	1,000	2,916	4,175	1,259
6-4850 6-4850	0	0	0	0	0	0	0	0	0	0	0	8,819	12,000	3,181
6-5000 6-5000	433	433	433	433	433	433	2,600	600	600	600	600	6,200	7,200	1,000
6-5100 6-5100	207	213	211	199	130	141	1,101	220	220	220	220	2,421	2,640	719
6-5200 6-5200	0	832	0	783	243	0	1,858	800	800	800	800	5,858	8,000	2,142
6-5300 6-5300	0	589	57	252	0	203	1,101	400	400	400	400	3,501	4,800	1,299
6-5310 6-5310	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6-4910 6-4910	186	0	0	0	5,308	0	5,495	0	0	0	0	5,495	8,000	2,505
Total General Operations costs	956	3,280	2,030	2,769	7,610	1,867	18,512	5,060	4,135	4,535	4,135	44,472	59,695	15,223
Total Expenses	37,453	40,005	41,899	37,603	48,909	40,162	246,031	46,125	45,200	47,000	44,280	524,342	560,236	35,894
Total Net Profit	28,001	18,006	5,949	22,740	5,584	-7,673	72,607	22,759	24,278	35,272	18,369	233,813	297,427	(63,614)
9-0000 9-0000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9-2200 9-2200	14,600	14,600	14,600	14,600	14,600	14,600	87,600	14,600	14,600	14,600	14,600	175,000	175,000	0
Total Other Expenses	14,600	14,600	14,600	14,600	14,600	14,600	87,600	14,600	14,600	14,600	14,600	175,000	175,000	0
Net Profit/(Loss) after distribution	13,401	3,406	-8,651	8,140	-9,016	-22,273	-14,993	8,159	9,678	20,672	3,769	58,813	122,427	(63,614)

Anglican Funds Grafton Diocese

Level 1 - 50 Victoria Street
Grafton 2460
NSW

Balance Sheet [Multi-Period]

January 2017 To June 2017

Account No.	Account Name	January	February	March	April	May	June
Assets							
Current Assets							
1-1105	WBC 032537 247819 Operating Ac	27,061	8,775	19,767	8,356	1,928	41,311
1-3130	WBC Term Invested Funds	900,000	900,000	900,000	900,000	900,000	900,000
1-3146	Ord Minnett-List Cash Account	51,381	74,248	868,976	48,907	218,780	32,099
1-3147	Ord Minnett-Global Cash Trust	8,033	8,033	1,000	13,292	24,339	540
Current Assets		986,475	991,055	1,789,743	970,554	1,145,047	973,950
1-1110	WBC 032537 120455 Client Chq	159,144	220,054	131,462	136,520	95,759	167,730
1-1130	AFSA Float SAV00000202	1,074,884	362,538	309,211	214,008	342,330	631,980
1-1137	Daily Txns Unproc'd in Phoenix	-51,472	-125,553	-43,007	-152,292	8,392	11,724
1-1160	WBC 032537 163017 Cash Managem	107,099	202,018	197,126	2,612,217	2,029,267	2,236,094
1-1165	Melb DIF 30 day term	7,000,000	5,250,000	7,750,000	3,500,000	2,750,000	1,250,000
1-3111	AMP Term Investment	1,500,000	1,500,000	1,500,000	3,250,000	3,250,000	1,750,000
1-3112	ME Bank Term Investment	1,500,000	1,500,000	1,500,000	1,500,000	0	0
1-3113	BOQ Term Investment	3,000,000	3,000,000	3,000,000	0	0	0
1-3120	AFSA Security Dep SAV00000203	239,479	239,799	240,155	240,501	240,857	241,196
		14,529,134	12,148,855	14,584,947	11,300,954	8,716,605	6,288,725
1-3145	Ord Minnett-Listed Investments	7,572,198	8,823,214	6,477,266	6,477,266	6,330,166	4,900,285
1-3148	Ord Minn-Global Investments	0	0	2,556,660	3,588,590	3,588,590	5,361,455
Investors - Interest Bearing Securities		7,572,198	8,823,214	9,033,926	10,065,856	9,918,756	10,261,740
1-1170	Accrued Int Receivable Investm	61,960	91,128	67,921	55,532	63,828	22,591
1-1171	Ord Min List Accrued Int Rec	0	0	0	10,168	6,561	0
1-1172	Ord Min U/List Accrued Int Rec	0	0	0	1,833	4,856	0
1-1400	Prepaid Insurance	7,259	6,515	5,691	4,893	4,068	3,271
1-1700	Other Prepayments	2,500	2,500	1,044	0	0	0
1-2000	Trade Debtors	5,275	0	0	0	0	0
		76,994	100,143	74,656	72,427	79,313	25,862
1-2510	Vehicles - at Cost	0	0	0	0	30,536	30,536
1-2520	Vehicles - Accum dep	0	0	0	0	-307	-825
1-2710	Furniture & Fixtures Orig Cost	724	724	724	724	724	724
1-2720	Furniture & Fixtures Accum Dep	-724	-724	-724	-724	-724	-724
1-2810	Computer Hardware	28,219	28,219	28,219	28,219	28,219	28,219
1-2820	Acc Depn Computer Hardware	-23,529	-23,661	-23,793	-23,925	-24,056	-24,188
1-2910	Computer Software	60,500	60,500	60,500	60,500	60,500	60,500
1-2920	Acc Depn - Comptr Software	-60,500	-60,500	-60,500	-60,500	-60,500	-60,500
Fixed Assets Current		4,690	4,558	4,426	4,295	34,392	33,742
Loan Assets							
1-3155	Line of Credit - O/D	1,714,310	1,942,865	1,388,205	2,656,994	3,563,591	6,008,611
1-3160	Loan Advances	5,200,860	5,200,322	5,202,763	5,201,949	5,202,763	4,669,264
1-3193	3247300 Int Only loan INT REC	0	0	0	0	0	-792
1-3170	Loan Advances - P & I	10,813,507	10,731,289	10,626,883	10,595,305	10,412,286	10,630,862
Loan Assets		17,728,677	17,874,476	17,217,851	18,454,249	19,178,640	21,307,945
1-3199	Financial Assets Current - Adj	-15,104,496	-15,104,496	-15,104,496	-15,104,496	-15,104,496	-15,104,496
1-4110	Financial Assets Non Current	15,104,496	15,104,496	15,104,496	15,104,496	15,104,496	15,104,496
		0	0	0	0	0	0
Total Assets		40,898,168	39,942,302	42,705,549	40,868,334	39,072,752	38,891,963

Liabilities							
Current Liabilities							
2-1004	Audit Costs	12,063	13,375	14,688	16,000	6,563	7,875
2-1200	Accounts payable	9,392	133	11,188	38	34,985	0
2-1915	Accrued Expenses	12,335	11,935	3,117	12,273	12,630	12,359
Current Liabilities		33,790	25,443	28,993	28,311	54,178	20,234
Investor Funds Fin Liab Current							
2-1101	2243130 Access Acc INT PAY	51	96	130	175	221	0
2-1102	2243131 Inst Acc INT PAY	43	85	134	183	235	0
2-1103	2243132 Student Acc INT PAY	0	1	1	2	2	0
2-1104	2243133 Parish Prov INT PAY	35	75	109	141	175	0
		130	256	375	500	633	0
2-1221	2243310 Term 90 Days INT PAY	13,789	21,941	28,657	22,666	24,546	20,245
2-1222	2243320 Term 180 days INT PAY	30,446	44,472	59,464	71,200	84,698	101,984
2-1223	2243330 Term 365 days INT PAY	187,744	198,466	215,957	214,086	219,611	221,991
2-1224	2243340 Negotiable INT PAY	17	31	3	20	37	4
2-1225	235 Fixed Inv - 18 Month INT P	22,163	5,507	7,689	11,363	13,187	17,500
		254,158	270,416	311,771	319,334	342,079	361,724
2-1710	2103300 Access Accounts	313,859	289,824	259,304	278,723	275,107	304,740
2-1715	2103310 Institution Access	123,304	129,678	138,561	136,370	143,222	158,971
2-1720	2103320 Student Access	4,531	4,531	4,531	4,531	4,531	4,549
2-1725	2103330 Parish Provider Access	5,322	3,164	5,539	4,009	6,582	4,766
2-1730	2103350 Interest Free Deposits	7,740	5,996	6,830	7,046	6,034	6,626
2-1735	2103370 Chq Acc Parishes	867,059	798,170	827,468	879,667	924,059	904,257
2-1740	2103380 Chq Acc Ministry	1,162,251	988,148	1,079,947	1,063,308	1,119,951	1,140,635
2-1745	2103400 Anglican Affiliates	1,735,462	1,120,744	2,228,529	2,199,049	764,562	1,165,764
2-1750	139 Parishes CMA	893,881	869,378	847,418	834,955	769,895	810,186
2-1751	Next Gen Bonus Saver	42,574	43,776	44,313	45,865	49,218	46,682
2-1756	2103420 Clergy Access Account	198,373	206,384	220,506	229,307	222,143	234,561
Investor Funds Fin Liab Current		5,354,355	4,459,793	5,662,947	5,682,830	4,285,304	4,781,735
2-1755	2183310 Term Inv 90 days	7,466,255	7,372,787	8,395,074	7,005,373	6,685,339	6,150,367
2-1760	2183320 Term Inv 180 days	9,414,580	9,446,351	10,531,980	10,217,679	10,073,763	10,099,739
2-1765	2183330 Term Inv 365 days	15,164,218	15,136,764	14,552,182	14,385,673	14,409,047	14,223,927
2-1770	2183341 Neg Inv Mat bal	6,439	6,439	7,500	7,500	7,500	7,551
		32,051,491	31,962,340	33,486,735	31,616,225	31,175,649	30,481,583
Sundry Liabilities							
2-1910	Accrued Annual Leave	6,152	7,168	8,414	7,075	5,736	5,829
2-1911	Accrued Long Service Leave	5,942	5,942	5,942	5,942	5,942	5,942
2-3030	GST from purchases	-534	-936	-382	-777	-2,480	-480
Sundry Liabilities		11,561	12,174	13,974	12,240	9,197	11,291
Other Long Term Liabilities							
2-2310	2183350 Fixed 18 Mths	1,905,635	1,921,425	1,923,698	1,923,698	1,926,331	1,926,331
2-9999	Westpac Unknown transactions	224	224	224	224	224	3,640
		1,905,859	1,921,649	1,923,922	1,923,922	1,926,555	1,929,971
Total Liabilities		39,611,345	38,652,072	41,428,717	39,583,362	37,793,595	37,586,538
Net Assets		1,286,824	1,290,230	1,276,832	1,284,972	1,279,157	1,305,425
Equity							
3-7000	Revaluation Financial Assets	34,970	34,970	30,224	30,224	33,424	81,965
3-8000	Retained Earnings	1,238,452	1,238,452	1,238,452	1,238,452	1,238,452	1,238,452
3-9000	Current Earnings	13,401	16,807	8,156	16,296	7,280	-14,993
Total Equity		1,286,824	1,290,230	1,276,832	1,284,972	1,279,157	1,305,425

30-June-17 Loan Book Data

	Loans	Unsecured	Limits	Unutilised/Not Drawn
COM 730 436032770 Secondary Campus Stage 2	\$ 1,767,695.37			
COM 730 436040020 Stage 3 Building Loan	\$ 162,230.86			
COM 730 436040021 Stage 4 Building Loan	\$ 1,377,521.96			
COM 730 436040019 Stage 2 Building Loan	\$ 231,806.02			
COM 730 436040056 CTS Pastoral Care & Assistance	\$ 577,601.24			
COM 730 436040136 Stanley St Unit Purchase	\$ 552,409.00			
COM 731 436040069 St. Colman St. Coffe Harbour NSW	\$ 173,445.09			
COM 731 436034140 Deed Of Gift Loan 2	\$ 3,643.11			
COM 731 436034254 Surplus Debt - 2nd Tranche	\$ 984,193.18			
COM 731 436040050 Sever Upgrade Primary & Secor	\$ 359,886.95			
COM 731 436040052 Refinance of Solar Panel Loan	\$ 9,927.14			
COM 731 436040029 Administration & Classrooms	\$ 90,585.49			
COM 731 436040059 Principal and Interest loan	\$ 2,464,941.76			
COM 731 436040113 Rectory Loan	\$ 609,191.44			
COM 731 436040042 Rectory Loan	\$ 148,953.44			
COM 731 436040009 Building Loan Stage 2	\$ 17,762.94			
COM 731 436040011 Middle School Stage 4	\$ 685,022.75			
COM 731 436040012 Library Stage 3	\$ 47,867.24			
COM 731 436040013 Stage 5	\$ 291,703.90			
COM 731 436040013 Stage 6	\$ 828,836.63			
COM 731 436040015 Building Loan Stage 7	\$ 762,819.76			
COM 731 436040027 Clergy Car Loan	\$ 608,711.06			
COM 731 436040014 Admin Building Stage 6b 1	\$ 2,441,436.62			
COM 731 436040077 CCELC Purchase	\$ 6,161.68			
COM 731 436040086 Clergy Car Loan	\$ 19,260.20			
COM 731 436040036 Dorrige Parish M A Ridge Car L	\$ 7,174.71			
COM 731 436040074 Clergy Car Loan	\$ 8,749.46			
COM 731 436040076 Clergy Car Loan	\$ 14,338.66			
COM 731 436040065 Clergy Car Loan	\$ 706.55			
COM 731 436040067 Clergy Car Loan	\$ 18,509.29			
COM 731 436040071 Clergy Car Loan	\$ 14,918.20			
COM 731 436040143 Clergy Car Loan - Jenks	\$ 40,115.20			
OD 535 436040007 Annual Insurance Premium Fundi	\$ 450,000.00	\$ 450,000.00		
OD 535 436040004 Line of Credit	\$ 676,163.59	\$ 676,163.59		
OD 535 436040015 Working Capital & Residual Fun	\$ 3,100,000.00	\$ 3,100,000.00		
OD 535 436040010 Working Capital	\$ 200,000.00	\$ 200,000.00		
OD 535 436040009 Line of Credit	\$ 7,500,000.00	\$ 7,500,000.00		
OD 535 436040006 Pastoral Care & Assistance Sch	\$ 100,000.00	\$ 100,000.00		
OD 535 436040017 Line of Credit	\$ 190,000.00	\$ 190,000.00		
Total Loan Book assets	\$ 21,308,737.66	\$ 12,390,000.00	\$ 6,387,388.64	
Excludes redraw	\$ 27,660,126.30			
Loans only	\$ 15,300,126.30			

Largest exposure
 St Columba Anglican School
 Includes full OD limit
 \$ 13,154,160.50
 Balance of OD only
 \$ 10,151,337.37

	Rate	Line Fee
\$ 850,000.00	\$ 4,250.00	6.35
\$ 200,000.00	\$ 1,000.00	5.05
\$ 3,100,000.00	\$ 23,250.00	3.79
\$ 4,150,000.00	\$ 29,500.00	0.007

AFGD Loan portfolio as at 30/06/2017 excludes OD's

Appendix CF-3

											Report Date: 30-06-17	
borrower	acct_no	acct_desc	Open Date	Amount Borrowed	Balance \$	Loan Weight %	End Date	Base	Margin	Rate	Yrs to Maturity	Weighted Yrs
Clarence Valley Anglican School	436032770	Secondary Campus Stage 2	10-05-2005	1,758,979.66	1,758,568.47	11.64%	31-12-2037	7.00	0.70	6.30	20.518	2.39
Emmanuel Anglican College	436040019	Stage 2 Building Loan	30-04-2013	405,163.30	230,781.22	1.53%	30-04-2021	7.00	1.59	5.41	3.836	0.06
Emmanuel Anglican College	436040020	Stage 3 Building Loan	30-04-2013	257,533.50	161,513.66	1.07%	30-04-2022	7.00	1.59	5.41	4.836	0.05
Emmanuel Anglican College	436040021	Stage 4 Building Loan	30-04-2013	1,672,479.06	1,371,432.86	9.08%	30-04-2025	7.00	1.59	5.41	7.838	0.71
Corporate Trustees Grafton	436040056	CTS Pastoral Care & Assista	28-11-2014	1,600,000.00	577,601.24	3.82%	28-05-2017	7.00	1.45	5.55	-0.090	0.00
M Smedley	436040136	Stanley St Unit Purchase	25-01-2017	550,000.00	550,000.00	3.64%	25-01-2047	7.00	1.66	5.34	29.592	1.08
St Cuthbert's Retirement Living Cor	436034140	Deed Of Gift Loan 2	20-05-2011	2,108,865.05	957,087.63	6.33%	31-12-2022	7.00	2.08	4.92	5.507	0.35
Clarence Valley Anglican School	436034254	Surplus Debit - 2nd Tranche	14-03-2012	1,190,001.32	357,966.39	2.37%	28-03-2037	7.00	0.70	6.30	19.756	0.47
St Columba Anglican School Council	436040009	Building Loan Stage 2	02-04-2013	804,200.62	69.00	0.00%	02-08-2017	7.00	2.27	4.73	0.090	0.00
St Columba Anglican School Council	436040010	Library Stage 3	02-04-2013	307,605.07	41,797.93	0.28%	02-03-2018	7.00	2.42	4.58	0.671	0.00
St Columba Anglican School Council	436040011	Middle School Stage 4	02-04-2013	1,003,682.80	644,268.67	4.26%	02-05-2023	7.00	2.02	4.98	5.841	0.25
St Columba Anglican School Council	436040012	Stage 5	02-04-2013	432,389.82	287,240.04	1.90%	02-11-2023	7.00	2.02	4.98	6.345	0.12
St Columba Anglican School Council	436040013	Stage 6	02-04-2013	1,209,360.63	816,564.65	5.40%	02-03-2024	7.00	2.02	4.98	6.677	0.36
St Columba Anglican School Council	436040014	Admin Building Stage 6b.1	02-04-2013	786,598.41	601,982.89	3.98%	02-01-2027	7.00	2.02	4.98	9.515	0.38
St Columba Anglican School Council	436040015	Building Loan Stage 7	02-04-2013	959,563.76	755,069.43	5.00%	10-12-2027	7.00	2.02	4.98	10.452	0.52
I R Mabey	436040027	Clergy Car Loan	15-07-2013	25,622.36	6,161.68	0.04%	15-07-2018	7.00	1.70	8.70	1.041	0.00
Dorrigo Anglican Parish - M A Ridge	436040036	Dorrigo Parish M A Ridge C	20-01-2014	20,000.00	7,174.71	0.05%	20-01-2019	7.00	1.45	8.45	1.559	0.00
Clarence Valley Anglican School	436040050	Server Upgrade Primary & S	23-06-2014	65,760.64	8,318.42	0.06%	23-06-2018	7.00	0.30	7.30	0.981	0.00
Clarence Valley Anglican School	436040052	Refinance of Solar Panel Lo	01-08-2014	146,000.00	88,152.49	0.58%	01-02-2021	7.00	0.30	7.30	3.595	0.02
Anglicare North Coast	436040059	Clergy Car Loan	18-12-2014	1,200,000.00	597,845.92	3.96%	18-12-2026	7.00	1.50	5.50	9.474	0.37
M B Jones	436040065	Clergy Car Loan	07-08-2015	8,000.00	352.33	0.00%	07-08-2017	7.00	1.00	6.00	0.104	0.00
M Smedley	436040066	Clergy Car Loan	01-10-2015	41,070.86	18,010.85	0.12%	01-10-2018	7.00	1.00	6.00	1.255	0.00
L M Baldwin	436040067	Clergy Car Loan	18-11-2015	37,346.00	17,376.50	0.12%	18-11-2018	7.00	1.00	6.00	1.386	0.00
Coffs Harbour Anglican Parish	436040069	6 McLean St, Coffs Harbour	01-12-2015	194,000.00	2,146.46	0.01%	01-12-2031	7.00	1.95	5.05	14.430	0.00
B A Blackbell	436040071	Clergy Car Loan	15-01-2016	20,000.00	14,918.20	0.10%	15-02-2021	7.00	1.00	6.00	3.633	0.00
Diocese of Grafton - S A Macneil	436040074	Clergy Car Loan	16-03-2016	24,995.00	8,644.33	0.06%	16-03-2018	7.00	1.00	6.00	0.710	0.00
K E McPherson	436040076	Clergy Car Loan	30-03-2016	25,000.00	13,754.36	0.09%	30-03-2020	7.00	1.00	6.00	2.751	0.00
St Columba Anglican School Council	436040077	CCELC Purchase	31-03-2016	3,100,000.00	2,408,736.64	15.94%	31-03-2026	7.00	2.02	4.98	8.756	1.40
South Grafton Anglican Parish	436040113	Rectory Loan	23-08-2016	157,534.35	149,953.44	0.99%	23-08-2031	7.00	1.95	5.05	14.156	0.14
Emmanuel Anglican College	436040129	Administration & Classroom	03-01-2017	2,500,000.00	2,444,455.48	16.18%	03-01-2032	7.00	1.44	5.56	14.521	2.35
Coffs Harbour Anglican Parish	436040139	Refinance 10 Cotswold Clo	19-04-2017	174,000.00	172,295.68	1.14%	19-04-37	7.00	1.95	5.05	19.816	0.23
G C Jenks	436040143	Clergy Car Loan - Jenks	13-06-2017	40,000.00	39,346.24	0.26%	30-06-22	7.00	-1.15	5.85	5.003	0.01
				22,825,752.21	15,109,587.81	100.00%				5.385	6.991	11.03
									AVERAGE	AVERAGE	AVERAGE	WEIGHTED
							WEIGHTED Average Term to Maturity (years)	11.03				
							Average Term to Maturity (years)	6.99				

AFGD FIXED INVESTMENT RETENTION RATES

Month 000'S	Year of review 2013		Year of review 2014		Year of review 2015		Year of review 2016	
	Book balance	Value redeemed %	Book balance	Value redeemed %	Book balance	Value redeemed %	Book balance	Value redeemed %
January	\$ 30,216.5	No Data	\$ 29,896.7	\$ 347.3 1.16%	\$ 30,322.6	\$ 167.1 0.55%	\$ 32,873.5	\$ 105.1 0.32%
February	\$ 29,989.5	No Data	\$ 29,780.7	\$ - 0.00%	\$ 30,528.8	\$ 318.9 1.04%	\$ 32,807.6	\$ 175.4 0.53%
March	\$ 29,592.5	No Data	\$ 29,910.9	\$ 17.2 0.06%	\$ 30,551.3	\$ 397.8 1.30%	\$ 32,608.8	\$ 17.5 0.05%
April	\$ 29,541.3	\$ 69.0 0.23%	\$ 29,909.5	\$ 62.0 0.21%	\$ 29,931.4	\$ 241.3 0.81%	\$ 33,070.7	\$ 57.1 0.17%
May	\$ 29,612.0	\$ - 0.00%	\$ 29,074.2	\$ 34.3 0.12%	\$ 30,070.1	\$ 40.7 0.14%	\$ 33,205.6	\$ 29.1 0.09%
June	\$ 29,274.8	\$ - 0.00%	\$ 28,784.5	\$ 66.4 0.23%	\$ 29,809.4	\$ 141.7 0.48%	\$ 33,294.0	\$ 58.9 0.18%
July	\$ 29,394.3	\$ - 0.00%	\$ 28,878.5	\$ 36.8 0.13%	\$ 30,225.6	\$ - 0.00%	\$ 33,360.9	\$ 145.7 0.44%
August	\$ 31,197.9	\$ 182.2 0.58%	\$ 29,034.5	\$ - 0.00%	\$ 30,293.4	\$ 48.1 0.16%	\$ 33,351.5	\$ 157.2 0.47%
September	\$ 31,315.1	\$ - 0.00%	\$ 29,582.2	\$ 101.6 0.34%	\$ 30,336.9	\$ 197.8 0.65%	\$ 32,984.6	\$ 207.9 0.63%
October	\$ 30,980.6	\$ 353.5 1.14%	\$ 29,965.5	\$ 179.8 0.60%	\$ 31,787.9	\$ 138.2 0.43%	\$ 32,559.7	\$ 249.8 0.77%
November	\$ 31,178.7	\$ 309.5 0.99%	\$ 30,146.4	\$ 91.9 0.30%	\$ 32,627.8	\$ 268.4 0.82%	\$ 32,518.3	\$ 217.5 0.67%
December	\$ 29,721.6	\$ 847.2 2.85%	\$ 30,366.4	\$ 48.8 0.16%	\$ 33,610.1	\$ 60.2 0.18%	\$ 32,968.2	\$ 53.5 0.16%
Month 000'S	Year of review 2017		Year of review 2018		Year of review 2019		Year of review 2020	
	Book balance	Value redeemed %	Book balance	Value redeemed %	Book balance	Value redeemed %	Book balance	Value redeemed %
January	\$ 33,957.1	\$ 27.1 0.08%		#DIV/0!				#DIV/0!
February	\$ 33,883.8	\$ 58.5 0.17%		#DIV/0!				#DIV/0!
March	\$ 35,410.4	\$ 722.6 2.04%		#DIV/0!				#DIV/0!
April	\$ 33,539.9	\$ 697.9 2.08%		#DIV/0!				#DIV/0!
May	\$ 33,102.0	\$ 30.1 0.09%		#DIV/0!				#DIV/0!
June	\$ 32,407.9	\$ 264.0 0.81%		#DIV/0!				#DIV/0!
July		#DIV/0!		#DIV/0!				#DIV/0!
August		#DIV/0!		#DIV/0!				#DIV/0!
September		#DIV/0!		#DIV/0!				#DIV/0!
October		#DIV/0!		#DIV/0!				#DIV/0!
November		#DIV/0!		#DIV/0!				#DIV/0!
December		#DIV/0!		#DIV/0!				#DIV/0!

Asset classes indicative return		30-06-17		
		Interest rate	Balance	Indicative annual income
Loan Portfolio			21,308,737.66	
COM 730	Interest Only	5.756%	4,669,264.25	
COM 730	P&I	5.220%	10,630,862.05	
SAV 138	Exceed Limit	0.000%	-	
SAV 138	Within Limit	4.963%	6,008,611.36	
Diversified Investment Portfolio				
Ord Minnett		4.360%	10,261,200.22	
Cash at Bank				
1-1105	WBC Operating Acc	0.10%	41,311.24	
1-1110	WBC Client Acc	0.10%	167,730.19	
1-1130	AFSA Float	0.00%	631,980.11	
1-1137	Unprocessed Phoenix	0.00%		
1-1160	WBC Cash Mgmt Acc	0.60%	2,236,094.48	
1-1162	WBC 31 Day	2.65%		
1-1163	WBC 60 Day	2.75%		
1-3120	AFSA Sec Deposit	1.74%	241,195.74	
1-3130	WBC Term Inv	2.50%	100,000.00	
	WBC Term Inv	2.50%	800,000.00	
	ME Bank	2.65%	-	
	BOQ	2.65%	-	
	AMP	2.80%	-	
	AMP	2.75%	750,000.00	
	AMP	2.75%	1,000,000.00	
	AMP	2.80%	-	
	Melbourne DIF	2.50%	1,250,000.00	
			7,218,311.76	17,479,511.98
			38,788,249.64	
Loans and investments weighted average			4.354%	1,688,986.97
Loan Portfolio			5.265%	1,121,901.23
Diversified Investment Portfolio			4.360%	447,388.33
Cash at Bank			1.658%	119,697.41
				1,688,986.97